

Appendix A

Definitions and Acronyms

Definitions

The definition of terms used in this Plan are consistent with definitions contained in Chapter 48 of the Montgomery County Code and COMAR.

Ash -- the solid byproducts of combustion, which are collected from grates or hearths in a furnace where combustion takes place and from filters or separators that process combustion gasses.

Biosolids -- the primarily organic solid or semi-solid by-product of wastewater treatment processes; synonymous with "sludge" as used in COMAR.

Bypass Waste -- waste received by the County which is processible at the RRF, but is not processed at the RRF and instead sent by the County to its out-of-County landfill.

Collection Contractor -- a private company under contract with the County to provide solid waste collection services for dwelling units with less than 7 units within the Solid Waste Collection Districts (See County Code Chapter 48).

Collector -- any person who contracts to collect and provide services for collection and/or transporting the solid waste of others to its disposal site (See County Code Chapter 48).

Compost -- the humus-like by-product of composting.

Composting -- the biological decomposition of organic material by microorganisms under controlled conditions to yield a humus-like product.

Construction and Demolition (C&D) Debris -- Solid waste from construction, demolition and renovation projects that produce debris including wood, wood products such as fiberboard and particleboard, cardboard, sheetrock and other drywall, plaster, fiberglass, plastic and other polymers, composite materials, glass, stone, steel and other metals, rubber, geotextile, asphalt, concrete, brick and mortar, rock, dirt, rubble, tree stumps, logs and large tree limbs. C&D Debris does not include 1) asbestos, 2) hazardous waste, 3) municipal solid waste such as garbage, household goods and refuse, 4) sludge, 5) dredged material (silt and other water pollutants), 6) medical/pathological waste, 7) ash and other residue from combustion, 8) industrial waste, 9) agricultural waste, 10) oil, antifreeze, fuel and other fluids for machinery, 11) liquid waste, 12) dead animals, 13) yard trim, 14) sawdust and slash from sawmill operations, 15) vehicles, machinery and electronics (including separated components), 16) containers, 17) tires, 18) appliances and other "white goods", 19) furniture, 20) recreation equipment, and may exclude additional items not listed.

Controlled Hazardous Substance -- a hazardous waste as defined in COMAR 26.13.01, or a special medical waste as defined in COMAR 26.13.11. Generally, a controlled hazardous substance is a solid waste that requires separate handling from MSW because it may pose a substantial hazard to human health or the environment.

County -- Montgomery County, Maryland.

County Solid Waste Facilities -- all sanitary landfills, refuse transfer facilities, materials recovery facilities, compost production facilities, resource recovery facilities and related facilities wholly operated by, or on behalf, of the County.

Department -- the Department of Environmental Protection.

Director -- the Director of the Department of Environmental Protection, or the Director's designee (See County Code Chapter 48).

Disposal refuse -- all solid waste that is acceptable for disposal, as designated in executive regulations and delivered to a County solid waste acceptance facility (See County Code Chapter 48).

Dwelling unit -- a building or part thereof arranged or designed for occupancy by not more than one family for living purposes and having cooking facilities (See County Code Chapter 48).

Garbage -- all organic waste materials resulting from the preparation, cooking, handling or storage of food (See County Code Chapter 48).

Generator -- the owner or occupant of any dwelling unit where solid waste is generated, and the owner or occupant of any other business, entity or institution at, from, or by which solid waste is generated (See County Code Chapter 48).

Hauler -- any person operating a commercial business or engaged in any enterprise regularly generating solid waste which requires collecting and hauling to an approved point of disposal, when such collecting and hauling is done by the person generating such material in his own vehicles or in vehicles leased for the purpose, in lieu of having a licensed collector perform this service (See County Code Chapter 48).

Hazardous Waste -- as defined in COMAR 26.13.01. Includes listed wastes, and characterized wastes that have one of the following properties: ignitability, corrosivity, reactivity, or toxicity.

Integrated Solid Waste Management System -- the County's system of managing solid waste as that system is revised from time to time in the County's Comprehensive Solid Waste Management Plan. The system may include all aspects of solid waste management and handling, including any waste reduction program, recycling program or facility, disposal program or facility, and any other program related to the collection, management and disposal of solid waste (See County Code Chapter 48).

Land Clearing Debris -- Materials from land clearing operations including: earthen materials such as clays, sands, gravels, and silts; topsoil; tree stumps; root mats; brush and limbs; logs; vegetations; and rock (COMAR 26.04.07.11(B)).

Landfill -- an engineered facility for disposing of solid wastes on land by spreading, compacting and covering the wastes.

Leachate -- liquid that has percolated through a landfill.

Materials Recovery Facility -- a facility for separating recyclables from mixed waste or for separating commingled recyclables.

Municipal Solid Waste -- solid waste generated at residences, commercial establishments and institutions; excludes land clearing, construction and demolition debris.

Non-Processible Waste -- a waste material which cannot be processed at the County's Resource Recovery Facility because of its size, bulkiness, composition or regulatory restrictions as further defined in the Service Agreement between the Northeast Maryland Waste Disposal Authority and Covanta Montgomery, Inc., f/k/a Ogden Martin Systems of Montgomery, Inc.

Recyclables -- materials that can be readily separated from a waste stream and reused in their present form or can be converted into raw materials from which new products can be made.

Regulated Asbestos-Containing Material -- material for which Federal or State regulations require specialized handling and disposal to prevent creation of asbestos dust.

Resource Recovery Facility -- a facility at which solid waste is processed for the purpose of recovering valuable resources (both materials and energy) from solid wastes and utilizing such resources in a beneficial manner.

Septage -- untreated sewage that accumulates in septic and holding tanks, including associated liquids, solids and semi-solids; the product of septic tank cleaning.

Solid Waste -- all waste materials and debris, including any garbage, sludge, medical/pathological waste, debris from building construction, ashes, junk, industrial waste, dead animal, salvable waste, dead or felled tree, uprooted tree stump, slash, tree limb, bush, plant, leaves, grass, garden trimmings, street refuse, abandoned vehicle, machinery, bottle, can, waste paper, cardboard, sawdust and slash from sawmill operations, and any other waste materials. Solid waste also includes any automobile, truck, box, container, tire, appliance, furniture, or recreational equipment that is in a state of disrepair or dysfunction, unless the item is awaiting removal or being repaired or renovated for the personal use of the owner or occupant and the repair, renovation or removal is completed within 30 days. Solid waste also includes any recyclable solid waste (See County Code Chapter 48).

Solid Waste Acceptance Facility -- any state-approved sanitary landfill, central processing facility, transfer station, medical/pathological waste incinerator or any other type of plant the primary purpose of which is for the disposal, treatment or processing of solid waste (See County Code Chapter 48).

Solid Waste Collection Districts -- special service districts established from time to time, consisting of certain areas of the County as defined on maps in the office of the Director, in which solid waste is collected by the County or its contractor (See County Code Chapter 48).

Solid Waste Management -- the systematic administration of activities which provide for the collection, source separation, storage, transportation, transfer, processing, treatment, recycling and disposal of solid waste.

Solid waste management district -- a special service district consisting of all of Montgomery County (See County Code Chapter 48).

Special Medical Waste -- as defined in COMAR 26.13.11. Includes utensils, bandages, containers and other medical or laboratory materials that may harbor pathogens.

Systems Benefit Charge -- an annual service charge reflecting all or a portion of the cost to the County of providing base and incremental solid waste management services (See County Code Chapter 48).

Transfer Station -- a facility designed to reduce collection and/or transportation costs by the consolidation of solid wastes before transport to a site for final disposal.

Yard Trim -- vegetative materials generated through the normal maintenance of yards, lawns, gardens or other landscaped areas including grass, leaves and brush; excludes soils, tree stumps, logs, large tree limbs, rock and other land clearing debris.

Acronyms

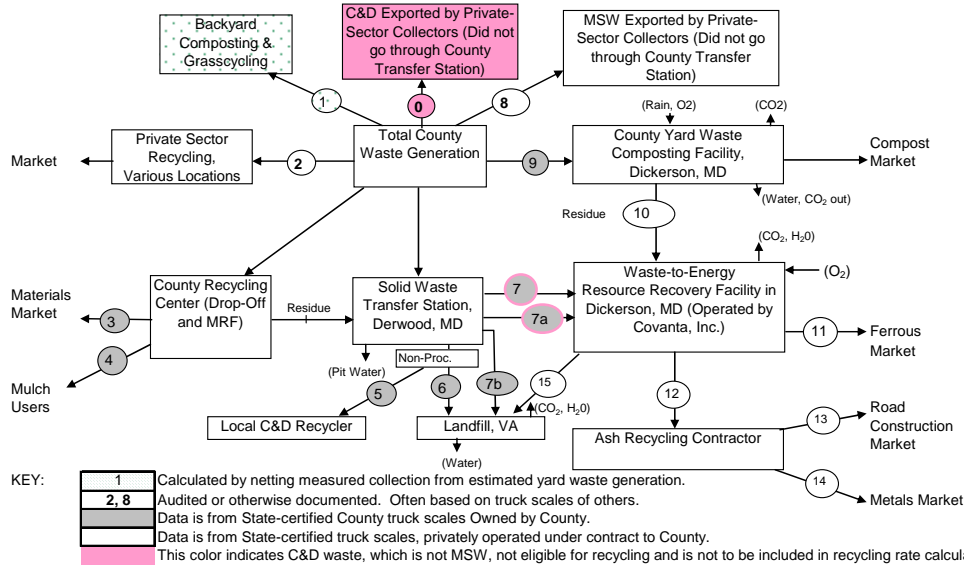
APC	air pollution control
BWMF	Brunswick Waste Management Facility
C&D	construction and demolition
CAA	Clean Air Act
CBD	Central Business District
CEM	continuous emission monitoring
CFC	chlorofluorocarbon
CFL	compact fluorescent light
CFR	Code of Federal Regulations
CHS	controlled hazardous substance
CIP	capital improvement program
COG	Council of Governments
COMAR	Code of Maryland Regulations
CY	calendar year
DAFIG	Dickerson Area Facilities Implementation Group
DEP	Department of Environmental Protection
DEPC	Division of Environmental Policy and Compliance
DFRS	Department of Fire and Rescue Services
DHCA	Department of Housing and Community Affairs
DNR	Maryland Department of Natural Resources
DSWS	Division of Solid Waste Services
EMS	Environmental Management System
EPA	Environmental Protection Agency
FY	fiscal year
GHG	greenhouse gas
HHW	household hazardous waste
ICLEI	International Council for Local Environmental Initiatives
IMA	Inter Municipal Agreement
MAEM	Mirant Americas Energy Marketing
MDE	Maryland Department of Environment
MES	Maryland Environmental Service
MCDOT	Montgomery County Department of Transportation
MCRCF	Montgomery County Regional Compost Facility (Site II)
MDA	Maryland Department of Agriculture
mgd	million gallons per day
M-NCPPC	Maryland-National Capital Park and Planning Commission
MRA	Maryland Recycling Act
MRF	Materials Recovery Facility
MSW	municipal solid waste
NEPT	National Environmental Performance Track
NMWDA	Northeast Maryland Waste Disposal Authority
NOx	nitrogen oxides

NPDES	National Pollution Discharge Elimination System
OCA	Office of the County Attorney
OPS	Office Paper Systems
RACM	regulated asbestos containing material
RMP	residential mixed paper
PCB	polychlorinated biphenyl
RCRA	Resource Conservation and Recovery Act
RDT	Rural Density Transfer
RRF	Resource Recovery Facility
SORRT	Smart Organizations Reduce and Recycle Tons
SSA	sole source aquifer
SWAC	Solid Waste Advisory Committee
TCLP	toxic characteristics leaching procedure
TDR	Transfer of Development Rights
TPY	Tons per year
TRAAC	Think Reduce and Recycle at Apartments and Condominiums
TSD	Treatment, Storage and Disposal
USEPA	U.S. Environmental Protection Agency
VOC	volatile organic compound
WSSC	Washington Suburban Sanitary Commission
WWTP	Waste Water Treatment Plant

Appendix B

Material Flow Diagram and Recycling Calculations: Fiscal Year 2007

MATERIAL FLOW DIAGRAM Fiscal Year 2007



Total Waste Generation, Including C&D Exported by Private Sector	1,464,488
County-Managed Waste (CMW) = 1 + 2 + 3 + 4 + 5 + 6 + 7 + 7a + 7b + 8 + 9 =	1,361,702
MSW Generated (above less streams 5, 6 and 7a)	1,222,475

Stream No.	Material Description	Sources of Data	Total (tons/yr)	Comments
0	Construction & Demo Debris Private Export	Licensed Collector Reports under ER 92-59	102,786	Not County-managed and not eligible for recycling
1	Yard Waste Source Reduction	Calculated w/ estimates & measurements	85,024	17.5% of MSW less leakage less yard waste facility tons
2	Recycled via non-County Facilities	Collector, Processor, Business & Self-Hauler Rpts.	209,762	Filtered to avoid double-counting
3	County Recycling Facility Material Sales	County TS & MRF Scales, Outbound	118,546	Outgoing to Market from County Recycling Center
4	Mulch Loaded Out From TS	County Transfer Station (TS) Scale Records	21,658	Scaled Out As Taken to Mulch Preserve Locations
5	Non-Processibles Recycled**	County TS Scale Out Records	1,965	
6	Non-Processibles Land filled**	County Trans. Stat'n. & Covanta Scale Records	94,679	
7	Loaded on Rail to RRF (MSW burned)	Covanta Scales as Loaded	550,602	Total Tons Loaded on Rail to RRF Net of 7a
7a	Loaded on Rail to RRF (C&D Burned)	County Transfer Station (TS) Scale Records	42,583	In-Bound C&D less Outbound Non-Processibles Landfilled
7b	By-pass (Accepted Processible Land filled)	County TS Scale Out Records	-	
8	Refuse Disposed Out of County	Audited 6-Mo. Hauler Reports	159,602	Private Sector MSW Collection not delivered to CountyTS
9	All Incoming Leaves and Grass	Compost Facility & TS Scale Records	77,280	Includes 8,247 to Backup Composters
10	Composting Residue to RRF	Covanta Scale Records	-	
11	Ferrous recovered at RRF	Covanta Scale Records	15,916	
12	Ash Loaded to Ash Recycling Contractor	No ash recycling at this time.	-	No ash recycling at this time.
13	Non-Metal Outgoing from ash Recycler	No ash recycling at this time.	-	No ash recycling at this time.
14	Metals (Fe, Cu, Brass, Coins)	No ash recycling at this time.	-	No ash recycling at this time.
15	All ash not recycled	Covanta Scale Records	176,915	

Recycling Rate Calculations		Numerator	Denominator	Rate
County Recycling Rate		528,187	1,222,475	43.2%
County Recycling Rate "Without Ash"		528,187	1,222,475	43.2%
State Recycling Rate		434,109	1,128,397	38.5% ***
State Recycling & Reduction Rate		434,109	1,128,397	43.5% ***
EPA Recycling Rate		434,109	1,128,397	38.5% ***
Notes:				
** Nonprocessibles are Construction & Demolition-type materials: not eligible for recycling credit, but are County-managed solid waste.				
*** For State and EPA methods, numerator and denominator exclude motor oil				
Nomenclature:				
"C&D" means "Construction and Demolition" waste, exclusive of MSW, traditionally managed by the private sector, but much now comes to County TS.				
"CMW" means "County Management Waste". It includes all MSW, whether or not exported by private sector collectors, but only C&D delivered to TS.				
"MSW" stands for "Municipal Solid Waste", and represents the waste eligible for recycling under the State recycling law, regulations and guidelines.				
"TS" stands for the County's "Transfer Station", located in Derwood, Maryland, just south of Gaithersburg.				

Appendix C

Landfill Site Selection Criteria

LANDFILL SITE SELECTION CRITERIA

(as adopted by the Montgomery County Council in Resolution 11-787, April 19, 1988)

Four kinds of search criteria will be considered in evaluating potential sites as follows:

- **Threshold criteria.** These are environmental characteristics which a site must have to be considered for a landfill.
- **Cost criteria.** These are criteria where a certain minimum standard of site characteristics can be identified and, if a particular site is deficient in these characteristics, the deficiency can be overcome by spending more money.
- **Non-cost numerical criteria.** These are site conditions where some numerical site characteristic required for siting landfills can be measured to compare one site with another, but this measurement cannot be converted into dollars.
- **Qualitative criteria.** These are site characteristics where desirable characteristics can be described, but the extent to which a particular site satisfies them cannot be measured numerically.

The **Threshold Criteria** to be used in the landfill search are as follows:

<i>Intentional Contamination of ground or surface water</i>	No landfill will be located in a site where leachate cannot be separated from ground or surface water.
<i>Floodplain</i>	No landfill working area will be located within an ultimate-use 100-year floodplain.
<i>Landfill exclusion area</i>	No landfill will be located within three miles of the working area of the Oaks or the Gude Landfill.

The **Cost Criteria** to be used in the landfill search are as follows:

<i>Soil Overburden thickness</i>	A minimum of 4 feet of natural soils will be provided between the base of the landfill and the top of bedrock. Sites lacking this must import soils to meet this requirement and the cost will be calculated.
<i>Soil permeability</i>	State regulation requires a subbase with a minimum thickness of 2 feet and a permeability less than or equal to 1×10^{-5} centimeters per second. Sites with less than this minimum must import soils to meet the requirement and the cost will be calculated.
<i>Depth to seasonal high water table</i>	A minimum of 3 feet between the base of the landfill and seasonal high water table will be provided. Sites lacking this must import soils to meet this requirement and the cost will be calculated.
<i>Groundwater protection</i>	Landfills with a single liner will be located in areas with deep, well drained, fine grained soils between the base of the landfill and either bedrock or seasonal high water

table. Sites lacking these characteristics will provide a second liner or other additional protective features indicated by the State permitting agency and the cost of these will be calculated.

Cover material

Sufficient soil cover for daily, intermediate, and final cover will be provided for a landfill of sufficient size to receive ash, non-processible and bypass waste for the bond life of the mass burner. Landfill sites lacking sufficient on-site cover to provide this amount must import soils for this purpose; the cost of this import will be calculated.

Prevention of Drinking Water Contamination

Landfills will not contaminate drinking water supplies from public or private wells that could be contaminated in the event of landfill leachate escaping containment systems will be calculated as a contingency cost.

Historical Structures and Archaeological Sites

If there is a registered historical structure on a proposed landfill site the cost of moving it will be calculated. A reasonable period for investigations in the event that sites of archaeological interest are uncovered will be estimated and the cost of this delay calculated.

Road or rail access

The cost impacts of access by rail and road will be considered in the context of a total access system. Landfills must have access either to a road of adequate size and projected capacity at the time of opening the landfill to accommodate the trucks proposed by solid waste transportation or to a railroad spur connected to both the solid waste transfer station and the mass-burn resource recovery facility. If sites lack either of these transportation facilities the cost of building them will be calculated. For those sites where the method of transporting ash from the resource recovery facility involves rail transport from the mass burner to the transfer station then truck transport to the ashfill, the additional cost of double handling will be calculated.

Adjacent residences

Landfills should not be sited in such a way that the boundary of the work area is within 1000 feet of a residence. If there are sites where there are existing residences within this distance, the cost of purchasing and demolishing these residences will be calculated. This does not mean that the residences will be purchased if the site in question is selected (this should be the choice of the homeowners) only that this potential additional cost be included in site comparisons.

Site Cost

The cost of purchasing each landfill site will be calculated.

Other

Any other site costs, not already identified, which would be necessary to bring a site into compliance with State regulations will be calculated.

The **Numerical Criteria (other than Cost)** to be used in the landfill site search are as follows:

<i>Site life</i>	Landfill sites will be of sufficient size to receive the quantity of ash, bypass or non-processable waste estimated for the bond life of the mass burner. Sites larger than this will be preferred.
<i>Buffer area</i>	Landfill sites will provide a minimum buffer area of 50% of the area of the working fill. Buffer areas larger than this will be preferred.
<i>Adjacent population</i>	The number of people living, working or studying within a mile of the boundary of the site work area will be estimated separately; sites with fewer people will be preferred to sites with more.
<i>Site ownership</i>	Sites with few owners will be preferred to sites with many.

The **Qualitative Criteria** to be used in the landfill site search are as follows:

<i>Criterion</i>	Requirement or Preference
<i>Topography</i>	Gently rolling uplands will be preferred as landfill sites to flat, steeply sloping, or valley bottom areas.
<i>Surface water</i>	Landfill sites which are not in the watersheds of drinking water reservoirs or Class 3 streams will be preferred to those that are.
<i>Sole source aquifer</i>	Landfill sites not within the area of a sole source aquifer will be preferred to those that are.
<i>Vegetation</i>	Landfill sites which are already cleared in the area proposed for the fill and forested in the buffer area will be preferred to those where forest must be cleared in the working area and planted in the buffers.
<i>Screening</i>	Landfill sites which are naturally screened from developed areas and roads by topography will be preferred to those which are visible or those requiring artificial buffers.
<i>Adjacent land use</i>	Landfill sites compatible with existing and future land use will be preferred to those that are not.
<i>Rare species</i>	Sites which do not impact rare species will be preferred to those that do.

Appendix D

Community Agreements

1. Circuit Court Civil Action No 186857 "Stipulated Order of Dismissal IN THE CASE OF Municipal Solid Waste Landfill Montgomery County Site Two.
2. "Agreement of Settlement and Compromise" dated April 19, 1996 by and between the Sugarloaf Citizens Association, Inc. and Montgomery County *.
3. "First Amendment to Agreement of Settlement and Compromise" dated April 19, 1996 by and between the Sugarloaf Citizens Association, Inc and Montgomery County.

* This agreement and its first amendment are cited in this Plan and reproduced here for information only, and do not constitute incorporation in this Plan. Provision for amendment of the agreement is provided for in the agreement and does not require amendment of this Plan.

IN THE CIRCUIT COURT FOR MONTGOMERY COUNTY

PETITION OF:

Joyce M. Bagley, et al.

FOR JUDICIAL REVIEW OF THE DECISION OF THE

Department of the Environment

IN THE CASE OF

Municipal Solid Waste Landfill

Montgomery County Site Two

Final Determination Re Permit No. 1995-WSF-0237-0

Denial of Request for Contested Case Hearing

CIVIL
ACTION
No. 186857

* * * * *

Stipulated Order for Dismissal

The Court has before it a Joint Stipulation for Order of Dismissal. filed by all parties to this matter. The Court finds and declares that:

1. With the filing of this case, Petitioners Joyce M. Bagley, et al. timely invoked this Court's jurisdiction to review an administrative decision of the Maryland Department of the Environment (MDE) to issue to Montgomery County Permit No. 1995-WSF-0237-0, authorizing construction of a sanitary landfill in northern Montgomery County at a location known as "Site 2".

2. Prior to issuance of the subject permit by MDE, the County secured certain contractual rights to utilize out-of-county landfill capacity, and therefore has put off indefinitely the start of construction of a sanitary landfill at Site 2.

3. By a Letter of Understanding dated April 8, 1998, a copy of which has been filed in this case, Petitioners, MDE and the County agreed that it would best serve the public interest if further prosecution of this case were stayed until such time as the County stated its intent to construct a sanitary landfill at Site 2. Accepting those

premises, this Court has issued several prior orders, continuing this case on the Court's docket but staying any further proceedings.

4. The parties now jointly represent to this Court that the County's use of out-of-county landfill capacity, in lieu of constructing the Site 2 facility, has proven so successful that it is unlikely that construction of a sanitary landfill at Site 2 will occur before the 2012 expiration of the County's contract for out-of-county landfill services. Further, the County enjoys renewal rights under the contract, which likely will prolong the County's use of out-of-county capacity in lieu of constructing the Site 2 landfill until 2017.

5. The public interest, as well as this Court's interests in the efficient management of its time and resources, would best be served if prosecution of any appeal of MDE's Permit No. 1995-WSF-0237-0 were put off until such time as the intended landfill construction again becomes a reality. However, continued maintenance of this case on the Court's docket for a period of years extending to and beyond the year 2012 is not in the best interests of the parties, the public, or of this Court.

6. Petitioners, having timely invoked this Court's jurisdiction when the subject permit originally was issued by MDE, or the County, should not have to forego any right of judicial review, as to any and all issues that may have inhered in the original administrative action.

7. This Court, in the interests of justice, protecting the rights of all parties to this case, and providing for efficient management of judicial resources and the Court's docket, has authority to issue an Order appropriate to preserving and advancing all such interests.

WHEREFORE, it is this ¹⁵th day of October, 2002.

ORDERED, that the agreement between Petitioners, MDE and Montgomery County, styled as a "Letter of Understanding" dated April 8, 1998, is incorporated as part of this Order of Dismissal; and it is further

ORDERED, that the parties shall be bound by and shall abide by the terms of the April 8, 1998 Letter of Understanding; and it is further,

ORDERED, that if and when the County provides notice under said agreement of its intent to initiate construction of a sanitary landfill at Site 2, Petitioners shall have 30 days leave (from the date of the County's notice) to file anew an appropriate action for judicial review of MDE Permit No. 1995-WSF-0237-0, and include any issues inhering in MDE's original issuance to the County of said permit and any issues arising in any subsequent renewals of said permit by MDE ; and it is further,

ORDERED, that this Court shall exercise jurisdiction over any such action for judicial review that may be filed by Petitioners, or any one of them, pursuant to the terms of this Stipulated Order of Dismissal; and it is further.

ORDERED, that in any such action subsequently filed by Petitioners, the County may file a subsequent petition, under Maryland Rule 7-203(b), and MDE and the County may raise any issues or defenses that they might have raised in the present case or that subsequently arise; and it is further,

ORDERED, that the clerk shall note on the docket dismissal of this case pursuant to the provisions of this Stipulated Order of Dismissal.


DeLawrence Beard, Chief Judge

LETTER OF UNDERSTANDING

This letter of understanding is executed as of this 8th day of April 1998.

On August 6, 1997, a meeting was held to discuss the status of the refuse disposal permit for the Site 2 Landfill in Dickerson, Maryland. Represented at that meeting were Sugarloaf Citizens Association, Inc. by its President, Jane Hunter (Sugarloaf, although not a party to the below-described proceedings, was purporting to represent the individual Protestants to the issuance of a refuse disposal permit for Site 2), Montgomery County, Maryland by its County Executive, Douglas M. Duncan, County Councilmembers Nancy Dacek and Isiah Leggett, and the Maryland Department of the Environment by its Secretary, Jane Nishida, along with Richard Collins and Anthony Gorski. Also in attendance were Senator Jean Roesser, Delegate Jean Cryor, Ben Bialek, Director, Office of Intergovernmental Relations and Robert Merryman, Deputy Director, Department of Public Works and Transportation.

BACKGROUND

Each County is required to have a comprehensive ten-year plan that provides and plans for its solid waste needs. Montgomery County's Comprehensive Solid Waste Management Plan provides for an integrated solid waste management system. The system includes, for its disposal component, designation of the Site 2 Landfill in Dickerson, Maryland. Pursuant to the County's Plan, the County has acquired the land for the Site 2 Landfill and was actively pursuing a refuse disposal permit for the proposed landfill. Subsequent to the permit application, the County executed a contract for the disposal of ash residue from the Montgomery County Resource Recovery Facility, bypass waste, nonprocessible waste and asbestos-contaminated material at an out-of-county location. Out-of-county disposal of such material commenced on October 18, 1997.

Even though the County will be sending materials requiring landfilling out-of-county, the County needs to have a backup facility designated in the event out-of-county disposal is no longer available, or cost effective. The County must posture itself to be able to respond quickly to circumstances that may be presented in the future. For that reason, and to protect resources invested to date, the County does not intend to withdraw its application to obtain a refuse disposal permit for the Site 2 Landfill.

The Maryland Department of the Environment (MDE) had tentatively determined that Refuse Disposal Permit No. 1990-WSF-0237-0 would be issued for the Site 2 Landfill. Following that determination, an appeal requesting a contested case hearing was noted to the MDE by Lawrence L. and Susan Quier, Lori M. and Steven E. Nockert, Joyce M. Bagley and Aubrey J. Shauver, Ralph Howell, Samuel Belcher, Martha E. and Wesley M. Yates, John R. Yates, Jr., Wayne and Jane Dodson and Sam and Hisel Beach. To date, the MDE has not issued a determination as to whether a contested case hearing on the refuse disposal permit will be granted.

In the event that the MDE determines that a contested case hearing on the permit would be appropriate, the County desires to minimize the expenditure of funds and to reduce duplication due to future regulatory changes that may occur during the interim between final issuance of the refuse disposal permit and any need in the future to use the Site 2 Landfill. Therefore, the County desires, following a determination by the MDE on whether a contested case proceeding would be appropriate, to stay any such hearing and further action and proceedings related to the issuance of the refuse disposal permit for the Site 2 Landfill. The County understands as represented by Sugarloaf, that the individual Protestants also desire a stay of any such hearing and further action and proceedings related to the issuance of the refuse disposal permit.

AGREEMENT

To determine the current status of the individual Protestants who requested a contested case hearing on the issuance of the refuse disposal permit for the Site 2 Landfill and to establish a specific suspension point in the process of issuance of the permit, the County proposes that the Maryland Department of the Environment respond to the June 28, 1996, request by the above-referenced citizens for a contested case hearing. Depending upon MDE response, the parties would proceed under one of two scenarios.

If MDE grants the hearing request, the County will join the citizens in asking the Office of Administrative Hearings to stay the Hearing until such time that the County notifies MDE that it no longer desires to stay action on the permit and intends to proceed with completion of the refuse disposal permit process for the Site 2 Landfill. At such time as the County indicates that it is proceeding with the permit process, the stay of the contested case hearing would be lifted and scheduled in accordance with Office of Administrative Hearing and MDE procedures.

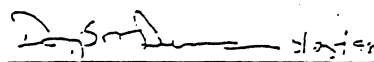
If the Maryland Department of the Environment denies the hearing request, the Refuse Disposal Permit will be issued to the County. The County has postponed, indefinitely, construction and operation of the landfill. If the citizens seek further relief from MDE's decision to deny the hearing request, the County will join the citizens in requesting that the action be stayed until the County determines that it should proceed with construction of the landfill. Once the County determines it desires to proceed with construction of the Site 2 Landfill, it will notify the Maryland Department of the Environment and those citizens who requested a contested case hearing regarding the refuse disposal permit, of this determination.

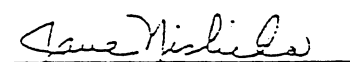
The parties agree that, under either scenario, it would be in everyone's interest to conduct further proceedings in an orderly and timely manner, should they become necessary. Accordingly, the County agrees to notify the Maryland Department of the Environment and the citizens promptly of any change in circumstances that may lead to a determination that construction of the landfill should proceed. Under either scenario, the County agrees to give notice of its desire to proceed at least one year in advance of the anticipated construction start date.


By execution of this agreement, the parties do not concede or waive any legal issues or rights, including the right to seek further relief, or the right to challenge the appropriateness of such relief, from the MDE's decision on the request for a contested case hearing.


This agreement becomes void on August 1, 1998, unless the Montgomery County Council approves an amendment to the Montgomery County Solid Waste Management Plan making the Plan consistent with this agreement and transmits the amendment to the Maryland Department of the Environment.

The undersigned parties indicate their agreement with the foregoing by executing this Letter of Understanding as indicated below.


Douglas M. Duncan
County Executive
Montgomery County, Md.


Jane T. Nishida, Secretary
Maryland Department of
the Environment


Jane S. Hunter, President
Sugarloaf Citizens
Association, Inc.

 3/19/98
Thomas A. Deming
Counsel for the Individual Protestants
in Request for Contested Case Hearing
filed June 23, 1996

AGREEMENT OF SETTLEMENT AND COMPROMISE

THIS AGREEMENT OF SETTLEMENT AND COMPROMISE is made this 19th day of April, 1996, by and between SUGARLOAF CITIZENS ASSOCIATION, INC. and MONTGOMERY COUNTY, MARYLAND.

Explanatory Statement

On or about January, 1981, the parties hereto, as well as others, entered into a written document entitled "Stipulation", governing certain substantive and procedural matters relating to certain real property formerly known as the "Matthews Farm", located near Dickerson, Maryland, and more particularly described below. On or about May 10, 1994, Sugarloaf instituted litigation in the Circuit Court for Montgomery County, Maryland against the County by filing a six count Complaint alleging that certain acts and omissions by the County constituted a breach of the Stipulation. Count VI of Sugarloaf's Complaint was dismissed by the Court. In addition, a motion of the County, regarding a discovery request by Sugarloaf was denied in part by the Court, and an appeal to the Maryland Court of Special Appeals by the County is pending.

During the course of the Litigation intended to enforce the Stipulation for alleged breaches, the County has maintained that the Stipulation is unenforceable as an unlawful restriction upon its exercise of the police powers of the County. This agreement is intended to serve as a full and final settlement between the

parties with regard to all matters of the foregoing disputes, and the property interests to be created and conveyed to Sugarloaf as set forth in this Agreement are intended to insure the enforceability of the promises and covenants of the County notwithstanding any questions surrounding the enforceability of the Stipulation.

Pursuant to Section 20-2 of the Montgomery County Code (1994), as amended, the County Attorney and the County Executive have determined that it is advisable and proper to enter into this agreement to settle the Litigation, such settlement to include the conveyance by the County of approximately 90 acres of farmland located east of Martinsburg Road in fee simple to Sugarloaf by deed, subject to a possibility of reverter and certain covenants, and a lease agreement with Sugarloaf for another portion of the Matthews Farm property containing approximately 68 acres.

The property to be conveyed to Sugarloaf previously was declared surplus to the needs of the County on February 25, 1986 by Executive Order 13-86, in accordance with former Montgomery County Executive Regulation 110-84. Prior to being declared surplus, that same property had been submitted for Preliminary and Secondary Review by appropriate County Agencies and a public hearing had been held on September 26, 1984 concerning whether those properties should be declared surplus to the County's needs.

The remaining procedures for the disposition of the property as set forth in Montgomery County Executive Regulation 67-91AM have been completed. Additionally, the conveyance of these properties

to Sugarloaf has been advertised in accordance with the Section 5 of Article 25A of the Annotated Code of Maryland.

WITNESSETH

FOR AND IN CONSIDERATION of the mutual promises, covenants, obligations and conditions contained herein, the parties hereby agree as follows:

1. DEFINITIONS.

As used herein, the following terms shall have the meanings indicated.

A. The Appeal: That action captioned as Montgomery County, Maryland v. Sugarloaf Citizens Association, Inc.; in the Court of Special Appeals of Maryland, No. 730, September Term, 1995.

B. County: Montgomery County, Maryland.

C. Dairy Barn: The existing Dairy Barn and attached structures located on the Matthews Farm as more particularly shown on Exhibit 3.

D. Eastern Field: That area of the Matthews Farm currently devoted to active agricultural use located east of Martinsburg Road comprising approximately 90 acres, as more particularly shown as Parcel C in Exhibit 5.

E. Existing Methods of Operations: Facility Operations as presently existing more particularly described in Exhibit 6.

F. Existing Methods and Modes of Transportation: Transportation of materials to and from the facility as presently conducted more particularly described in Exhibit 7.

G. Facility: The area of the Matthews Farm devoted to the Montgomery County Compost Facility including immediately adjacent properties contained within the boundaries of the existing chain link fence, which includes Parcel A and part of Parcel 412 as shown on Exhibits 2 and 5.

H. Facility Operations: The receipt, composting, windrowing, turning, drying, screening and shipping of Yard Waste and the bulk Yard Waste compost product.

I. Fiscal Year: July 1 to June 30 of the following year.

J. Impervious Surface: Any man made surface or structure which interrupts the natural percolation of rainwater through the surface of soil, including, by example and not limitation, buildings, mobile structures, roads, and asphaltic or concrete paving.

K. Linden Park: That area of the Matthews Farm more particularly shown on Exhibit 3.

L. The Litigation: That action captioned as Sugarloaf Citizens Association, Inc. v. Montgomery County, Maryland; in the Circuit Court for Montgomery County, Maryland, Civil No. 119356.

M. Matthews Farm: All of that real property and improvements thereon as shown as Parcels A, B, C, D and 412 as shown on Exhibit 5.

N. Pilot Program: An experimental program at the facility, not to exceed one year in duration, designed to increase the efficiency and/or environmental soundness of the processing of Yard Waste at the Facility.

O. Poplar Grove: That area of the Matthews Farm more particularly shown as part of Parcel B on Exhibit 3.

P. Southern Field: That area of the Matthews Farm located northeast of the intersection of Martinsburg and Wasche Roads and immediately south of the Facility, as more particularly shown as part of Parcel B on Exhibit 3.

Q. Stipulation: That written agreement dated January, 1981 between Sugarloaf, the County, the Maryland Environmental Service, the Washington Suburban Sanitary Commission and the Department of Health and Mental Hygiene, attached hereto as Exhibit 1.

R. Stone House: The existing single family residence and area immediately appurtenant thereto located on the Matthews Farm as shown more particularly as the large part of Parcel 412 on Exhibit 5.

S. Sugarloaf: Sugarloaf Citizens Association, Inc.

T. Yard Waste: Leaves, grass and chipped brush generated in Montgomery County, Maryland.

U. Yard Waste System: The system employed by the County in dealing with Yard Waste generated in the County, including source reduction programs, collection, transportation, handling, processing, and distribution of products generated thereby.

2. NON-MERGER.

This agreement shall be considered in furtherance of, and as a supplement to, the Stipulation. The Stipulation shall survive the execution of this document and shall not be merged herein. Further, this agreement and the Stipulation shall survive execution

and delivery of the lease and conveyance of property as set forth herein and shall not be merged therein.

3. THE LITIGATION.

A. Promptly after execution of this document by the parties, counsel for Sugarloaf and counsel for the County shall execute and file in the Litigation a Stipulation of dismissal in the same form and content as set forth in Exhibit 10, dismissing Count III of the Complaint in the Litigation.

B. Promptly after execution of this document by the parties, counsel for Sugarloaf and counsel for the County shall submit a consent order with regard to Counts I, II, IV and V of the Litigation in the form and content as set forth in Exhibit 11 and request that the same be entered in the Litigation.

C. Sugarloaf shall not seek appellate review of the dismissal by the Circuit Court of Count VI of its Complaint.

4. THE APPEAL.

Promptly after execution of this document by the parties, counsel for the County shall dismiss the Appeal.

5. ATTORNEY'S FEES.

The County shall reimburse Sugarloaf for all attorney's fees and expenses incurred in connection with the dispute which is the subject of the Litigation, the Litigation itself, and the negotiation and drafting of this agreement through and including the date of execution this agreement. Sugarloaf shall provide to the County a summary sheet of attorney's fees and expenses incurred for each month as well as a total thereof, and upon receipt and

approval thereof by the County, payment shall be made to Sugarloaf within sixty (60) days.

6. THE FACILITY.

A. The County may continue to operate the Facility as a Yard Waste composting facility in its current configuration as more particularly shown as Parcel A on Exhibit 2.

B. So long as the County abides by the obligations, terms, covenants and conditions of this document, the Stipulation and Exhibit 13 and operates the Facility as a Yard Waste composting Facility in accordance with all applicable laws and regulations, Sugarloaf will not seek to enjoin or curtail operations of the Facility in its current configuration through any administrative or judicial means.

C. The County shall limit the total amount of materials handled and processed at the Facility to a maximum of seventy-seven thousand (77,000) tons per Fiscal Year. Notwithstanding the foregoing, the County may exceed the seventy-seven thousand (77,000) ton limitation aforesaid if excessive tonnage is attributable solely to a Pilot Program and the prior written consent of Sugarloaf for the Pilot Program is first obtained pursuant to Paragraphs 7.A and 7.B. hereof.

D. The County shall not increase the area of Impervious Surfaces of the Facility in the future beyond those existing Impervious Surfaces shown on Exhibit 2.

E. The County shall not construct or place upon the Facility any buildings in addition to those currently existing as shown on

Exhibit 2, nor shall the County enlarge or expand any existing building.

F. Nothing herein contained shall be construed to restrict repairs, maintenance, reconstruction or replacement of existing buildings and Impervious Surfaces by the County.

G. The County shall restrict the operating hours of the Facility, including receipt or disbursement of materials, to 7:00 a.m. to 4:30 p.m. Monday through Friday for the period of December 24 through the following October 31 and, for the period of November 1 through December 23, 7:00 a.m. to 5:00 p.m. Monday through Saturday.

H. The County shall maintain the storm water management ponds of the Facility in accordance with applicable regulatory standards, including periodic testing for contaminants and cleaning as needed.

I. The County shall restrict Facility Operations to the existing asphaltic pad area and buildings as shown in Exhibit 2.

J. The County shall endeavor to improve the method of mixing Yard Waste at the Facility in an effort to continue to reduce odors which may emanate from the Facility.

K. The County shall continue to encourage source reduction of Yard Waste.

L. Any (i) change in the Methods or Modes of Transportation; (ii) change in the Methods of Operations, such as significant changes in the mixing of materials, the addition of new material, the use of new types of machinery, changes in the storm water management system, significant changes in screening procedures, or

any change which is likely to cause noise, odor or traffic impacts to the community or adversely affect ground or surface waters; or (iii) the institution of any Pilot Program, shall be subject to the prior review process as set forth in Section 7 hereof.

7. PRIOR REVIEW.

A. In the event the County desires to implement a change pursuant to Paragraph 6.L. hereof, or institute a Pilot Program, the County will notify Sugarloaf in writing and not less than (15) nor more than thirty (30) days thereafter meet with representatives of Sugarloaf in order to review the proposed changes.

B. In the event Sugarloaf approves of such change or Pilot Program in writing within thirty (30) days following the meeting held pursuant to Paragraph A hereof, the County may thereafter institute said changes or Pilot Program.

C. In the event the prior written approval of Sugarloaf is not received by the County on or before the 30th day following said meeting for any change other than a Pilot Program which would increase the tonnage of materials handled above the maximum imposed by Paragraph 6.C. hereof, and the County still wishes to pursue said change, the County thereafter shall schedule and advertise a public hearing to be held in the locale of the community no less than forty-five (45) nor more than ninety (90) days thereafter.

D. At least thirty (30) days prior to the date of the public hearing, the County shall make available, at no charge to the public, copies of all materials to be relied upon by the County at the hearing.

E. The County shall not institute any such change until after a decision is rendered by the presiding officer of the public hearing.

F. The County shall not institute any Pilot Program which would increase the tonnage of materials handled above the maximum imposed by Paragraph 6.C. hereof without the prior written consent of Sugarloaf.

G. Nothing herein contained shall be construed to prevent the County from holding a public hearing on any proposed changes notwithstanding the receipt of the written approval of Sugarloaf.

8. CONTINUED COMMUNICATIONS.

A. The parties hereto recognize and appreciate the fact that continued communications regarding the Facility and its operations are essential to diminishing the possibility of future misunderstandings or disputes between the parties.

B. At least twice yearly, in March and September, representatives of Sugarloaf and the County shall meet to discuss operations of the Facility and other matters related to the Yard Waste System as appropriate.

C. At the September meeting between the parties, the County shall provide a written report covering the immediately preceding completed Fiscal Year detailing Yard Waste System operations and Facility Operations including tonnages, composition of Yard Waste received, results of any Pilot Program, storm water management pond conditions, any injuries and deaths associated with Facility Operations, status and success of source reduction programs, and

financial data relating to operations of the Yard Waste System, including costs by category for each component of the Yard Waste System and revenues received.

9. TRAFFIC SAFETY.

A. The County shall apply to the Maryland State Highway Administration for permission to construct and operate a traffic control signal at the intersection of Maryland Route 28 and Martinsburg Road.

B. The traffic control signal shall be sensor controlled.

C. The traffic control signal shall be fully operational during times of peak traffic and in a flashing mode during off peak times, to be determined by the County as necessary.

D. Sugarloaf expressly recognizes that installation and operation of the traffic control signal is contingent upon the County securing prior approval therefor from the Maryland State Highway Administration.

E. The County shall exercise its best efforts in an attempt to secure approval from the Maryland State Highway Administration for the installation and operation of the traffic control signal.

F. Sugarloaf will support the County's request to the Maryland State Highway Administration for permission to install and operate the traffic control signal.

10. MATTHEWS FARM STRUCTURES.

A. On or before January 1, 1997, the County shall demolish and/or remove and/or restore all existing buildings and structures

on the Matthews Farm outside of the Facility, with the exception of the Stone House and Dairy Barn.

B. On or before January 1, 1998, the County shall complete restoration of the Stone House and areas immediately appurtenant thereto, such as yard and driveway, in such a fashion as to render the Stone House fit for habitation as a single-family residence in accordance with all applicable housing, health and fire safety standards.

C. On or before January 1, 1998, the County shall repair and restore the Dairy Barn, including the remodeling of the interior of the same for use as offices and meeting rooms in accordance with all applicable housing, health and fire safety standards.

D. The interior remodeling of the Dairy Barn shall include the installation of water and septic services, restrooms, lights, HVAC, electric and not less than (2) phone lines.

E. On or before January 1, 1998, the County shall provide equipment and furnishings for the Dairy Barn for the use of Sugarloaf for at least one office and a conference room, as set forth in Exhibit 8.

F. On or before January 1, 1998, the County shall install a driveway and parking facility sufficient to serve the Dairy Barn as remodeled for the contemplated use, including necessary site work and exterior improvements for handicapped access.

G. In developing the plans for the remodeling of the Dairy Barn, the County shall solicit the input of Sugarloaf.

H. The parties recognize that any modification, change or alteration to the exterior features of the Dairy Barn and the areas immediately appurtenant thereto, as well as any substantial modification, change or alteration of the environmental setting of the Dairy Barn, will require an Historic Work Permit granted by the Historic Preservation Commission of Montgomery County (HPC), and the County's obligations to perform such modifications, changes or alterations to the exterior of the Dairy Barn or its environmental setting as set forth in Paragraphs 10.C. and 10.F. hereof are conditioned upon receiving an Historic Area Work Permit from the HPC. Montgomery County will endeavor to use its best efforts to secure all necessary permits and approvals, and Sugarloaf will support the County's request to the Commission.

11. OTHER SITE IMPROVEMENTS.

A. On or before January 1, 1998, the County shall cause to be installed landscaping in that area between the Dairy Barn and the Facility, as more particularly shown in Exhibit 9, consisting of the planting of mixed deciduous and conifer trees with a minimum caliper size of two inches in accordance with a landscape plan to be prepared by the County in consultation with Sugarloaf. Thereafter, the County shall maintain the landscaped area as necessary. Sugarloaf expressly recognizes that a portion of the aforesaid area may be required to serve as a septic field for the Dairy Barn, depending upon the outcome of water table and percolation tests, which may require future alteration, relocation, or, in the event alteration or relocation is not feasible,

elimination of a portion of the landscaping proposed in the landscape plan.

B. On or before January 1, 1998, the County shall remove dead and diseased trees, thin out existing trees as necessary and plant native plantings to supplement existing growth in Linden Park.

C. On or before January 1, 1998, the County shall remove dead and diseased trees, thin out existing trees as necessary and plant native plantings to supplement existing growth in the Poplar Grove.

D. The County shall continue to maintain and repair, as necessary, the stone fences located on the Matthews Farm as designated as a historic resource by the Montgomery County Historic Preservation Commission.

E. On or before January 1, 1998, the County shall develop and prepare, in consultation with Sugarloaf, a comprehensive management and maintenance plan for all areas of the Matthews Farm other than those areas actively devoted to agricultural use and the Facility.

12. APPROPRIATED FUNDS.

The County Council has appropriated the sum of Nine Hundred Twenty-five Thousand Dollars (\$925,000.00), hereinafter in this paragraph 12. referred to as the "Budgeted Amount", for the purpose of funding those obligations of the County set forth in Paragraphs 5., 9., 10. and 11. of this Agreement, hereinafter in this Paragraph 12. referred to as the "Projects". The parties shall cooperate in the planning of the Projects in order to strive to insure that all of the Projects are completed within the Budgeted Amount. In the event the Projects are not completed at the time

the Budgeted Amount has been exhausted, the County's continuing obligation to complete the Projects is contingent upon the additional appropriation of funds. The parties further agree:

A. The County will exercise due diligence in the selection of materials, methods and contractors so as to strive to complete the Projects within the Budgeted Amount.

B. Sugarloaf shall have the right, in its sole discretion, to prioritize the expenditure of funds among the Projects and among the various phases of the individual Projects.

C. Before each contract is let for goods and/or services related to the Projects and before each expenditure of funds for the Projects by the County, Sugarloaf shall have the right, in its sole discretion, to select substitute materials or methods which would result in a cost savings, so long as all applicable codes and regulations are met, including by way of example and not limitation, health, fire safety, and building standards. The County may reject any substitute materials or methods selected by Sugarloaf and employ the more expensive materials or methods so long as the additional cost attributable to the more expensive methods or materials is not charged against the Budgeted Amount.

D. In the event the Projects are not completed at the time the Budgeted Amount has been exhausted, the Executive Branch of the County shall request additional appropriations from the County Council necessary to complete the projects. Nothing contained herein shall be construed as an agreement by the County that additional funds will be appropriated.

13. LEASE.

A. On or before January 1, 1997, the County shall enter into a lease agreement with Sugarloaf for the entirety of the Matthews Farm with the exception of the Facility, the access road thereto and the Eastern Field, under terms and conditions as more particularly set forth in the lease agreement attached hereto as Exhibit 12.

B. The parties agree that the property to be leased has been declared Surplus Property of the County in accordance with Montgomery County Executive Regulation 110-84 and, therefore, an additional administrative determination pursuant to Montgomery County Executive Regulation 67-91AM of May 28, 1992 of the surplus nature of the property is not required.

C. Sugarloaf expressly recognizes that all of the Matthews Farm located to the west of Martinsburg Road serves as a noise attenuation area for the County's Resource Recovery Facility (RRF) located west of the Matthews Farm. While Sugarloaf does not believe that the use of the Matthews Farm as a noise attenuation area as described above is proper, appropriate or legal under the applicable noise ordinance standards, it nevertheless expressly agrees that it shall not challenge or oppose the use of that portion of the Matthews Farm to the west of Martinsburg Road as a noise attenuation for the RRF based upon Sugarloaf's use or possession of the leased premises. The parties do not believe that the existence of the leasehold interest to be created in the property has any bearing on the County's continued utilization of

portions of the Matthews Farm as a noise attenuation area for the RRF. However, in the event of a challenge to its continued use as a noise attenuation area because of the existence of the leasehold interest, the County will not oppose the intervention by Sugarloaf in any such administrative or judicial proceedings. In the event of a final judicial determination that, as a result of the leasehold interest to be created in the property, that portion of the Matthews Farm to the west of Martinsburg Road may not be utilized as a noise attenuation area for the RRF, the leasehold interest to be created shall automatically terminate sixty (60) days following said final judicial determination.

14. CONVEYANCE OF EASTERN FIELD.

A. On or before January 1, 1997, the County shall convey the Eastern Field in fee simple to Sugarloaf by deed as set forth in Exhibit 13 attached hereto, subject to a possibility of reverter and certain covenants, and simultaneously imposing certain covenants on the remainder of the Matthews Farm in favor of Sugarloaf, all as more particularly set forth in said deed.

B. The parties agree that the property to be conveyed has been declared Surplus Property of the County in accordance with Montgomery County Executive Regulation 110-84 and, therefore, an additional administrative determination pursuant to Montgomery County Executive Regulation 67-91AM of May 28, 1992 of the surplus nature of the property is not required.

15. WAIVER OF PROPERTY INTEREST TO ESTABLISH STANDING.

Sugarloaf hereby agrees that it will not rely on its interests in real property created by this Agreement, including but not limited to its leasehold interest as set forth in Paragraph 12 hereof nor its fee simple interest as set forth in Paragraph 13 hereof, to establish its standing to pursue either administrative or judicial remedies with regard to any solid waste facility of the County, either existing, proposed, or proposed in the future, other than judicial enforcement of this Agreement and the restrictive covenants governing the Facility and running in favor of Sugarloaf as set forth as Exhibit 13.

16. PARTIAL INVALIDITY.

In case any provision or any part of any provision contained in this Agreement of Settlement and Compromise shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or remaining part of the affected provision of this agreement, but this agreement shall be construed as if such invalid, illegal or unenforceable provision or part thereof had never been contained herein but only to the extent it is invalid, illegal or unenforceable. In the event that any such provision may be construed so as to overcome any such potential invalidity, illegality or unenforceability, then a liberal interpretation shall be applied and the agreement shall be interpreted in such a manner as to reflect favorably on the validity, legality and enforceability of any such provision or any portion of such

provision, it being the express intention of the parties hereto to fully perform and honor the obligations contained herein and achieve the purposes sought hereby. And it is also the intention of both parties that in lieu of each clause or provision that is illegal, invalid or unenforceable, there be added, as a part of this agreement, a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

17. WAIVER.

No mention in this agreement of any specific right or remedy shall preclude either party from exercising any other right or from having any other remedy or from maintaining any action to which it may otherwise be entitled either at law or in equity. The failure of either party to insist on any occasion upon the strict performance of any covenant or agreement hereof shall not constitute a waiver of such covenant or agreement on that occasion or any subsequent occasion. The County specifically does not waive its police power or any authority to enact legislation or administer or enforce its legal rights and obligations.

18. NOTICE AND OPPORTUNITY TO CURE.

In the event that either party is in violation of any of the terms and conditions of this Agreement or neglects any of its respective obligations, the non-breaching party shall send written notice of such violation to the alleged breaching party. Should the alleged breaching party fail to correct any violation to the

reasonable satisfaction of the non-breaching party sixty (60) days from the receipt of such notice, then the non-breaching party shall have the right to immediately pursue all available legal remedies.

19. NOTICE.

Unless otherwise provided herein, whenever notice is to be given under the terms of this agreement, such notice shall be deemed to have been given three (3) United States Postal Service working days after enclosed in an envelope having the proper postage, addressed to the party, and deposited at the United States Post Office or mailbox. Any such notice shall be in the form of Certified Mail, Return Receipt Requested.

IF ADDRESSED TO THE COUNTY:

Montgomery County Executive
101 Monroe Street
Rockville, Maryland 20850

With a copy by First Class Mail to:
County Attorney for Montgomery County
Third Floor, 101 Monroe Street
Rockville, Maryland 20850

And

Montgomery County Department of Public Works & Transportation
Chief, Division of Solid Waste
101 Monroe Street
Rockville, Maryland 20850

IF ADDRESSED TO SUGARLOAF:

Sugarloaf Citizens Association, Inc.
Post Office Box 381
Barnesville, Maryland 20838

With a copy by First Class Mail to:
William J. Roberts, Esquire
Post Office Box 368
20,000 Fisher Avenue
Poolesville, Maryland 20837.

20. EXHIBITS.

The exhibits attached hereto, numbered 1 through 13, are an integral part of this agreement and are hereby incorporated by reference.

21. MISCELLANEOUS.

This agreement and exhibits represent the entire agreement between the parties hereto with respect to the subject matter hereof and shall not be amended, altered or modified except by a writing duly executed by each of the parties hereto. This agreement shall be binding upon the parties hereto and their respective successors and assigns. This agreement shall be governed and construed in accordance with the laws of the State of Maryland without regard to any presumption or other rule of law regarding construction thereof or construing the same against the party causing this agreement to be drafted. The recitals are, and form, a part of this agreement. Each party warrants to the other that it shall execute and deliver to the other such further instruments, documents and agreements in a form satisfactory to each party's counsel, and shall take such other action as may be reasonably necessary to more effectively carry out the terms, provisions and intent of this agreement.

22. FORCE MAJEURE.

Anything in this Agreement to the contrary notwithstanding, providing such cause is not due to the willful act or neglect of either party, neither party shall be deemed in default with respect to the performance of any of the terms, covenants and conditions

of this Agreement if the same shall be due to any strike, lockout, civil commotion, warlike operation, invasion, rebellion, hostilities, military or unsurged power, sabotage, government regulations or controls, inability to obtain any material, service or financing, through an act of God or other cause beyond the control of either party.

23. RELEASE.


In consideration of the Agreement reached herein, Sugarloaf hereby releases and discharges the County, and its successors, executors, assigns, legal representatives, agents, servants and employees, of and from any and all claims or obligations which in any way arise from the facts, circumstances, claims, allegations and occurrences, including but not limited to all pleadings, discovery and information contained therein, alleged in and/or giving rise to the Litigation.

IN WITNESS WHEREOF, the parties hereto, intending to be fully bound hereby for themselves, successors and assigns, and the undersigned warranting their authority to bind their respective principals, have hereunto set their hands and seals on the day and year first hereinabove written.


(Signatures follow on page 23.)


MONTGOMERY COUNTY, MARYLAND

By:  (SEAL)
DOUGLAS M. DUNCAN, County
Executive

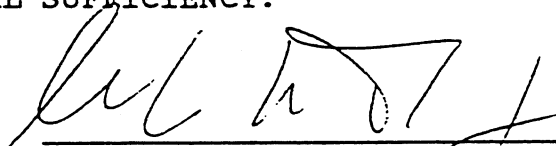

Witness

SUGARLOAF CITIZENS ASSOCIATION, INC.

By:  (SEAL)
JANE S. HUNTER, President


Witness

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:


CHARLES W. THOMPSON, JR.,
COUNTY ATTORNEY

STIPULATION

The undersigned parties agree and stipulate as follows:

I. Montgomery County, Maryland Environmental Service (MES), Washington Suburban Sanitary Commission (WSSC), and the Maryland Department of Health and Mental Hygiene (DHMH), agree that the sludge composting facility to be operated pursuant to DHMH Permit Number ^{5-81-15-549-F} _____ ("the Dickerson Facility") shall be only an interim facility pursuant to the following terms and conditions:

A. The Permit

1. Permit Number ^{5-81-15-549-F} _____ shall expire on January 1, 1984 and all composting activities at the site shall cease on that date except as set forth below.
2. Insofar as sludge composting facilities are expected to be fully operational at Site 2 by September 1, 1982 no sludge composting activities will take place at the Dickerson Facility thereafter unless either of the two following events occurs:
 - a. Unforeseen difficulties at Site 2, beyond the control of the site operator, prevent the composting of Montgomery County's legally mandated sludge receipt quantities at Site 2; or
 - b. Montgomery County's legally mandated sludge receipt quantities exceed the permitted composting capacity at Site 2, but if this occurs, Montgomery County and Washington Suburban Sanitary Commission will immediately develop and implement

a sludge management alternative, and use of Dickerson will last only until this alternative is in place and in no event later than January 1, 1984, except as provided in B below, "The Planning Process."

3. Any renewal, amendment or other permit for sludge management at the Dickerson Facility, PEPCO property or at any other site in the area of the Dickerson Facility, shall be: 1) treated as a newly filed permit by the DHMH subject to all legal requirements; 2) evaluated by DHMH without regard to the existence of the Dickerson Facility and 3) consistent with the planning process set forth below. This provision shall not apply to screening or spray irrigation at the Dickerson Facility which shall be treated as set forth below.

B. The Planning Process

1. As part of the 10 Year Planning Process of Art. 43, Sec. 387C, Montgomery County shall immediately initiate a planning process which is designed to develop alternatives to the Dickerson Facility as the backup or addition to Site 2 for Montgomery County's legally mandated sludge receipt quantities on a permanent basis.
2. The planning process shall, at a minimum, consider the following factors: 1) current and anticipated quantities of sludge; 2) all alternative technologies for management of sludge; and 3) geographical locations both within and without Montgomery County.
3. The following principles, in addition to other factors required by law, shall apply in the consideration and choice of sludge management alternatives in the planning process:

- a. The fact that the Dickerson Facility is in existence, including capital and other investment of government agencies, shall not be considered; however non site-specific operational experience may be utilized in the planning process.
 - b. A legally and practicably implementable alternative shall be deemed superior to the Dickerson Facility when: i.) it is at a site in Montgomery County other than in the Dickerson area, or ii.) it is an alternative which accounts for Montgomery County's share of the Blue Plains sludge at the Blue Plains STP or at some other location outside of Maryland.
 - c. A bias in favor of an alternative shall be established when: i.) travel distance is shorter, or ii.) public sewer and water service are available.
 - d. A bias against an alternative shall be established when it has proximity to and impacts on a recreational use.
4. The planning process shall provide for appropriate public participation, including public hearings.
 5. Quarterly reports regarding the status of the planning process shall be provided to the Secretary of DHMH, with a report due on September 1, 1982 which shall include a plan for implementing alternatives to the Dickerson Facility as the backup or addition to Site 2 no later than January 1, 1984. At least one public hearing shall be held by the County Executive at least 45 days prior to September 1, 1982 on the draft report. Reports shall continue thereafter until a permanent management plan for Montgomery County's share of Blue Plains sludge shall have been implemented. The Secretary of DHMH may request such additional

information or justification regarding the planning process as he deems appropriate. Such reports and additional information shall be available to the public upon filing with the Secretary.

6. The Department of Health and Mental Hygiene shall not accept an application for a new or renewed permit for a sludge management facility at the Matthews Farm or elsewhere in the Dickerson area unless the proposed site has been chosen consistent with the procedures and principles set out in this agreement.
7. Montgomery County agrees not to complete the ongoing study of the use of the Dickerson Facility as a back-up to Site 2 and not to conduct any other sludge management studies other than in the context of and subject to the planning principles stated above.

C. Termination of the Dickerson Facility and Future Use of Site

1. All sludge delivery at the Dickerson Facility shall cease 30 days after the first day of operation of Site 2, subject to the provisions of A.2. The first day of operation is defined as the date when one hundred tons of raw sludge in the aggregate have been delivered to Site 2.
2. On or before March 1, 1983 MES shall submit through WSSC to the Maryland Department of Health and Mental Hygiene for approval a plan for reclamation of the Dickerson Facility which shall be consistent with post-reclamation land uses as set forth by Montgomery County; and provide for 1) removal of all paved pad areas and access roads, and all ditches, dams, or other water impoundments, including all of the holding ponds, except to the extent they are appropriate to the future use of the property;

- 2) removal of the soil under ditches and the liners of Pond 3 and the bentonite-soil liners of Ponds 1 and 2, if contaminated; 3) complete revegetation; and 4) a completion date within six months of approval, including removal of all stored compost. Prior to its approval or disapproval of the reclamation plan, the DHMH shall hold a public hearing thereon.
3. Montgomery County agrees that after removal of the composting facility, it will restrict the future use of the Matthews Farm to uses that are consistent with county land use plans and policies, including policies favoring the wedges and corridors concept and the protection and preservation of agricultural uses. The fact that a proposed use would be a public facility would not, by itself, render it consistent with such policies under this provision. The character of the proposed use, not the ownership or purpose, would be determinative. Prior to submittal of the reclamation plan provided for in C.2. above, the County shall prepare a plan for future use and ownership of the Matthews Farm and hold a public hearing thereon. Any change in the plan will require a similar public hearing by the County.
4. After termination of the Dickerson Facility, the site shall be monitored as may be required by DHMH regulations, the DHMH permit or the regulations of Montgomery County.
5. After termination and site restoration, in no event shall the Matthews Farm be used for any form of incineration of off-site trash as a public waste management technique, sanitary landfill, hazardous waste disposal, sludge entrenchment or sludge processing. Montgomery County shall record restrictive covenants on the property to that effect among the land records of Montgomery County, Maryland.

D. Other Facilities

1. All steps shall be taken to ensure that Site 2 is operational at the earliest possible date, which shall in no event be later than September 1, 1982. The September 1, 1982 deadline for operation of Site 2 may be exceeded only in the following circumstances:
 - a. The occurrence of a natural or man-made disaster or event that is wholly beyond the control of the parties to this agreement and that destroys all or part of the Site 2 facility or otherwise prevents the use of the facility.
 - b. The issuance of a judicial or administrative decision that delays or prevents the use of the Site 2 facility, which decision Montgomery County agrees to vigorously oppose. Montgomery County, WSSC, and DHMH agree to take every possible action to bring Site 2 into operation as soon as possible.
2. The County Executive will recommend against rail haul of sludge and will request a resolution that would prohibit same for the life of the Dickerson Facility.

II. Operational Conditions, Spray and Screening, and Claims

- A. Montgomery County, MES, WSSC, and DHMH agree to accept the following conditions on the design and operation of the interim facility and that where appropriate they shall become conditions of DHMH Permit Number _____:

1. MES shall operate the Dickerson composting facility in accordance with the USDA/EPA Manual for composting by the Beltsville Aerated Pile Method, the MES Operations and Maintenance Manual, and as testified to by representatives of the Service at adjudicatory hearings held on issuance of the Article 43, Sec. 394(b) permit.

2. Except as may be authorized by a State Discharge Permit, none of the contents of any of the ponds will be spray irrigated or otherwise applied to land in the area of the interim facility. The fact that the Dickerson Facility is in existence and utilizes haul-back of waters in ponds 1 and 2 shall not be considered by DHMH in connection with DHMH review of an application for a State Discharge Permit for the facility; however, non site-specific operational experience may be considered.
3. Except as may be authorized by amendment to its Article 43, Sec. 394(b) permit and an Article 43, Sec. 706 permit, MES shall not screen the wood chips from the finished compost.
4. When drying or otherwise conditioning compost at the interim facility, MES shall make every effort to minimize the generation of dust. Such efforts shall include, but not be limited to, the daily (as weather permits) sweeping and wetting of paved areas. Respirators shall be kept on site for workers to be used as needed.
5. The operators shall be required to follow a written checklist quality control program that addresses the following:
 - a. Verification that a minimum water level is maintained over the surface of the ponds when temperatures are at 0° C or below.
 - b. A standard procedure for pond maintenance when cleaning and pumping activities occur which, among other things, requires use of non-abrasive boots by workers and the placement of padding under all pump intakes, and which provides for daily inspections of all such areas where pump intakes have been located.

- c. The status of the Pond 3 monitoring manhole shall be checked and recorded each day.
 6. Maryland Environmental Service agrees to comply with all provisions of the proposed Executive Regulations of Montgomery County governing the operation and monitoring of operations of sludge composting facilities and with any enforcement actions or orders taken by the County.
 7. The facility and its operations shall be thoroughly inspected at least once each week day by a County inspector.
 8. All monitoring or inspection activities required under this agreement, the Executive Regulations, the facility permit, or the Operating Manual to be performed by MES on a daily basis shall be performed on weekends and holidays as well as during the work week. The only exceptions are monitoring or inspection of actual operations that occur only during the work week.
 9. All equipment used on the site, including particularly the front-end loaders, shall be regularly washed and shall be maintained in a clean and neat manner in order to avoid movement of raw sludge off the composting pad.
 10. The facility will not begin operation until Maryland Environmental Service has a plan for and a firm contract to obtain whatever trucking services are necessary to empty all three of the holding ponds, and while in operation ensure that all three ponds are emptied, quickly enough to prevent any overflow.
- B. Montgomery County, MES, WSSC, and DHMH agree to initiate the following procedures to assure effective contingency review and, which may, in the discretion of DHMH, require modification or cessation of operation:

1. Upon any indication of leakage in Pond 3, through visual or other inspection of the liner, or through the appearance of water in the monitoring manhole, MES shall notify DHMH of such event and shall inform DHMH of its anticipated course of action, including the diversion of process wastewaters from the pond, repair time, etc. Prior to the placing of Pond No. 3 in operation, DHMH shall inspect the repaired liner and shall be satisfied of its structural integrity.
 2. Upon any indication of seepage from Ponds 1 and 2, the notification, inspection and approval provisions of subparagraph (1) shall apply.
 3. Any permitted trenching capacity which may exist at the time of the commencement of operation of the Dickerson Facility and the Western Branch Facility shall be reserved by WSSC for emergency use if operational problems arise at either facility requiring that they cease to accept sludge for composting.
- C. MES shall develop a standard procedure whereby it can ascertain the length of time compost remains at the Dickerson Facility. All finished compost shall be removed from the facility within six months of the date it is placed on the storage pad.
- D. MES shall, upon filing, notify the Sugarloaf Citizens Association of any application for a State Discharge Permit, amendment to the Section 394(b) permit, Section 706 permit, or any other application for a permit, permit renewal or permit amendment related to a facility at the Matthews Farm. The adjudicatory hearing on the Section 394(b) permit shall be held open for a period of four months from the date of this Agreement on issues related to the screening of woodchips from finished compost. The Sugarloaf Citizens Association shall be afforded thirty calendar days notice before this date of the first reconvened session and shall respond to DHMH

within fourteen days concerning its intent to participate in said reconvened hearing. The Department of Health and Mental Hygiene may, in its discretion, consolidate the hearings required for any permit associated with operation of the Dickerson Facility.

- E. WSSC will be the official operator of the Dickerson Facility. MES operation of the Dickerson Facility will be as WSSC's contractual agent. WSSC agrees and affirms that the Dickerson Facility will be operated in accordance with the Montgomery County regulations for the Dickerson Facility. WSSC is the responsible agency to insure compliance with the Montgomery County regulations. Complaints regarding the operation of the Dickerson Facility will be handled by WSSC's General Manager (699-4187), Assistant General Manager (699-4188), or Special Assistant for Sludge Management (441-4164).
- F. WSSC agrees that no experiments, including changes in bulking agents, will be conducted at the Dickerson Facility and that the permitted process for composting sludge will not be altered without consultation with and concurrence by the Sugarloaf Citizens Association and Montgomery County.
- G. WSSC agrees to test the private wells on the attached list (Enc. 1) by February 15, 1981 and provide the owners the test results. Should any of the listed wells that initially meet Montgomery County standards fail (i.e., not meet Montgomery County standards) prior to January 1, 1985, WSSC, upon receipt of notice of failure by the owner, will provide potable water regardless of the source of contamination until the following determination is made. If it is determined by the Montgomery County Health Department that the failure of any listed or unlisted well occurred because of the operation of the Dickerson Facility, WSSC will provide the owner a permanent source of potable water equal in quantity to the capacity of the failed well.
- H. As the responsible agency for the operation of the Dickerson Facility, WSSC will accept and process claims for damages in accordance with WSSC's standard claims procedures.

III. Miscellaneous

- A. Montgomery County and WSSC will continue to actively explore other sludge management alternatives, including out-of-state disposal and processing at Blue Plains, such as suggested in the November 28, 1980, letter to the County Executive by the Fuel Recovery Corporation. At a minimum, WSSC will advertise for bids for hauling sludge out of the State one year from the date of this agreement and will, at that time, prepare a comparison of potential hauling costs and costs of operation at the Dickerson Facility.

IV. Sugarloaf Citizens Association and individual intervenors agree to the following:

- A. To withdraw opposition to the permit application of MES for the operation of a composting facility at Dickerson, dated August 19, 1980, as modified by letter of counsel for MES addressed to Mr. Ronald Nelson, DHMH, dated December 18, 1980.
- B. To withdraw with prejudice all pending litigation related to the Dickerson Facility.
- C. To not appeal or seek any judicial or administrative review of the permit issued pursuant to the application of MES described above in paragraph IV. A, or initiate any other judicial or administrative action challenging the operation of the facility under the permit. This shall not affect the ability to enforce this stipulation agreement or permit conditions, as permitted by law.
- D. To not oppose issuance of truck transportation permits related to the Dickerson Facility. However, the Sugarloaf Citizens Association reserves the right to participate as provided by law in the development of conditions to be contained in the permit, which conditions shall

be included in the permit at the close of any DHMH public participation proceedings. DHMH agrees to rule on the availability of any such proceedings and to institute such proceedings, if any, no later than January 31, 1981, and to assure they are completed expeditiously. Sugarloaf Citizens Association may appeal on issues of conditions to the permit or procedures followed in issuing of the permit, but may not appeal or oppose issuance of the permit itself. Sugarloaf Citizens Association further agrees that it will not seek to enjoin truck transportation in the context of any appeals on procedural matters or permit conditions related to the transportation permits.

E. This stipulation shall be contingent upon execution of this agreement or withdrawal from the adjudicatory proceedings and all pending judicial proceedings of all intervenors in the adjudicatory proceedings. The following constitutes a complete list of the individual intervenors: Steven Quarles; Mr. & Mrs. A. L. Dilonardo; Anna J. Robbins; David Owens Scott; George J. Ersek; Charles R. Jones; Joseph R. Harrill; Steven D. Wells; Thomas Dowd.

F. Sugarloaf Citizens Association will not support financially or otherwise any administrative or judicial action by any person or entity attempting to challenge the operation of the facility pursuant to the application of MES described above in paragraph IV. A., except that it may so support any petition filed under paragraph VI. A. or any other action to enforce the stipulations or permit conditions under IV. C.

V. All parties agree and stipulate to the following:

A. Withdrawal of all issues raised thus far in the adjudicatory hearing in connection with the application of MES described in IV.A. above.

B. Issuance of the Hearing Examiner's recommendations to the Secretary of Health and Mental Hygiene in connection with issuance of the permit requested, consistent with this stipulation and requirements of law.

- C. Filing of this stipulation in the record of the adjudicatory hearing and this stipulation becoming a condition of the permit to the extent deemed appropriate by DHMH and otherwise being enforceable by DHMH pursuant to VI. A.

VI. Enforceability of the Stipulation by Intervenors

- A. In the event of alleged noncompliance with the stipulation or the permit, or any allegation that any aspect of the operation of the Facility poses a threat to public health, a representative of the citizens association or any intervenor, successors or assigns, may directly petition the Assistant Secretary for the Office of Environmental Programs, DHMH, for appropriate relief.
- B. The Assistant Secretary will give immediate attention to the petition and initiate response within thirty days, including initial investigation and site inspection if relevant to the petition.
- C. The parties and their successors or assigns may pursue any additional administrative or judicial remedies as provided by law.

VII. All parties agree and acknowledge the following:

- A. By execution of this stipulation, the intervenors are not indicating any support for or approval of the Dickerson Facility.
- B. All parties agree to undertake to uphold this stipulation and to vigorously oppose any challenge to its validity or operation.

The undersigned by their hands and seals, agree, for themselves, their successors and assigns, on the dates below indicated, to the above stipulation and warrant their authority to bind their respective principals.

Montgomery County, Maryland

By Charles W. Gilchrist SEAL
Charles W. Gilchrist Date
County Executive

Sugarloaf Citizens Association, Inc.

By Steven Charles SEAL
Steven Charles Date 1/10/81
President

William S. Jordan III SEAL
William S. Jordan III, Esq. Date 1/13/81
Counsel for Sugarloaf Citizens Association

Maryland Environmental Service

By Thomas D. McKewen SEAL
Thomas D. McKewen Date 1/14/81
Director

John B. Z. Walsh SEAL
John B. Z. Walsh, Esq. Date 1/13/81
Counsel for Sugarloaf Citizens Association

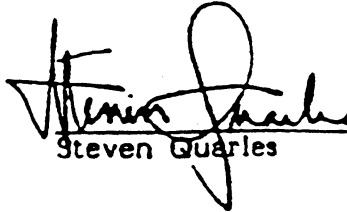
Washington Suburban Sanitary Commission


By Robert S. McGarry SEAL
Robert S. McGarry Date 16 Jan '81
General Manager

Maryland Department of Health and Mental Hygiene

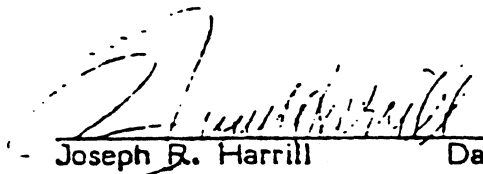
By William M. Eichbaum SEAL
William M. Eichbaum Date
Assistant Secretary for Environmental Programs

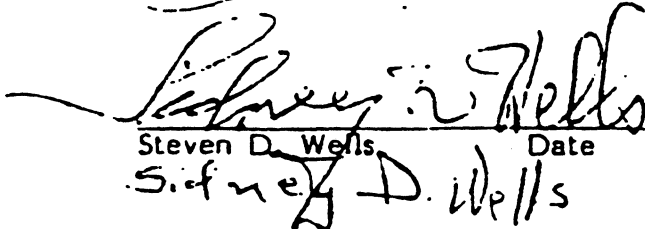
INDIVIDUAL INTERVENORS


Steven Quarles 1/10/81 SEAL
Date


David Owens Scott 1/11/81 SEAL
Date


George J. Ersek 1/11/81 SEAL
Date


Joseph R. Harrill Date SEAL


Steven D. Wells Jan 11/88 SEAL
Date
Signed D. Wells

FIRST AMENDMENT TO AGREEMENT OF SETTLEMENT AND COMPROMISE

THIS FIRST AMENDMENT to an Agreement of Settlement and Compromise dated April 19, 1996, by and between SUGARLOAF CITIZENS ASSOCIATION, INC., hereinafter referred to as "Sugarloaf," and MONTGOMERY COUNTY, MARYLAND, hereinafter referred to as the "County," is made this 1st day of August, 2000.

WHEREAS, by document dated April 19, 1996, the parties entered into an Agreement of Settlement and Compromise, hereinafter referred to as the "Agreement," resolving certain disputes regarding the Montgomery County Compost Facility, hereinafter the "Facility," and settling certain litigation between the parties docketed in the Circuit Court for Montgomery County, Maryland as Civil No. 119356; and

WHEREAS, the County is desirous of implementing baggage operations at the Facility for the Yard Waste finished compost product; and

WHEREAS, the implementation of bagging operations for the Yard Waste finished compost product at the Facility is not presently permitted under the Agreement; and

WHEREAS, the parties are desirous of amending the Agreement to allow the said bagging operations at the Facility and to amend certain other provisions of the Agreement;

NOW, THEREFORE, on the basis of the foregoing, and for and in consideration of the mutual covenants and conditions contained herein, and other good and valuable consideration, the receipt of which hereby is acknowledged, the parties hereby agree that the Agreement, as of the date hereof, is amended as follows:

1. Definitions: The following definitions of terms are added to Section 1. of the Agreement:

V. Bank Barn: The large barn structure located on the Matthews Farm to the south of the Dairy Barn.

W. Feed Barn: The structure appurtenant to, and immediately south, of the Bank Barn.

X. Corn Crib: The structure immediately to the south of the Dairy Barn.

Y. Tenant House & Hog House: Those remaining structures on the Matthews Farm not otherwise expressly defined herein.

2. Methods of Operations: Section 1.E of the Agreement is deleted in its entirety and, in lieu thereof, the following is substituted therefor:

E. Methods of Operations: Facility Operations as more particularly described in Amended Exhibit 6.

3. Methods and Modes of Transportation: Section 1.F. of the Agreement is deleted in its entirety and, in lieu thereof, the following is substituted therefor:

F. Methods and Modes of Transportation: Transportation of materials to and from the Facility as more particularly described in Amended Exhibit 7.

4. Facility Operations: Section 1.H. of the Agreement is deleted in its entirety and, in lieu thereof, the following is substituted therefor:

H. Facility Operations: The receipt, composting, windrowing, turning, drying, screening, bagging, and shipping of Yard Waste and the bulk Yard Waste compost product.

5. Yard Waste System: Section 1.U. of the Agreement is deleted in its entirety and, in lieu thereof, the following is substituted therefor:

U. Yard Waste System: The system employed by the County in dealing with Yard Waste generated in the County, including source reduction programs, collection, transportation, handling, processing, bagging, and distribution of products generated thereby.

6. The Facility:

(i) Existing Section 6.L. of the Agreement shall be renumbered as 6.N.

(ii) A new Section 6.L. is added as follows:

L. A maximum of two (2) mechanical bagging lines will be permitted at the Facility, both of which must be located entirely under the roof of the existing Pavilion as set forth in Exhibit 2 to the Agreement. The maximum number of bagged compost (at a maximum size of three (3) cubic feet per bag) allowed to be stored at the Facility at any given time will be three hundred thousand (300,000) bags, all of which must be limited to the existing area covered by the asphaltic pad as required by Section 6.I. of the Agreement.

(iii) A new Section 6.M. is added as follows:

M. The County shall endeavor to limit truck traffic to and from the facility as much as reasonably practicable, and shall encourage, when practicable, the back haul of finished Yard Waste compost product.

7. Continued Communications. A new Section 8.D. is added as follows:

D. At each September meeting of Sugarloaf and the County, the Division of Highway Services of the County Department of Public Works and Transportation will provide to Sugarloaf an annual up-date on any proposed changes to the rural character of Martinsburg Road between the entrance to the property presently owned by PEPCO and Wasche Road, including, but not necessarily limited to, any proposal to widen or resurface the road or shoulders, or undertake extensive tree pruning.

8. Exhibit 6. Exhibit 6, "Existing Facility Operations" is deleted in its entirety and, in lieu thereof, the Amended Exhibit 6 attached hereto and incorporated herein by reference is substituted therefor.

9. Exhibit 7. Exhibit 7, "Existing Methods & Modes of Transportation," is deleted in its entirety and, in lieu thereof, Amended Exhibit 7 attached hereto and incorporated herein by reference is substituted therefor.

10. Matthews Farm Structures. Section 10.A. of the Agreement is stricken in its entirety and, in lieu thereof, the following is substituted therefor:

A. The County and Sugarloaf are desirous of accomplishing the restoration and continued maintenance of the Feed Barn, Bank Barn, Corn Crib, Tenant House, and Hog House on the Matthews Farm.

(i) On or before June 30, 2001, the County shall renovate and restore the Feed Barn, at an estimated total cost of \$61,000.00. From and after the completion of the restoration of the Feed Barn, and for a period of five (5) years thereafter, the County shall have the right to utilize that structure for the storage of consumable supplies of the Facility Operations, such as shipping lumber, pallets, bags, shrink wrap, pallet covers, hand tools and a forklift, but not including any Yard Waste nor finished Yard Waste Product, either in bags or bulk, pursuant to a lease-back agreement from the Association to the County in accordance with Exhibit A, attached hereto and incorporated herein by reference. The County shall remain responsible for the maintenance of the Feed Barn as necessary so long as the Lease Agreement between the parties remains in effect.

(ii) The County shall undertake renovation and restoration of the Bank Barn, the total estimated cost of which is \$94,000.00. The County anticipates that the restoration of the Bank Barn shall be funded as follows:

a. \$18,000.00 from the remaining balance of monies originally appropriated for the Agreement of Settlement and Compromise.

b. \$25,000.00 from fiscal year 2000 operating budget -- Master Plan Funds.

c. \$25,000.00 from fiscal year 2001 operating budget -- Master Plan Funds.

d. \$26,000.00 from fiscal year 2001 operating budget -- Compost Facility, as a result of haulage savings.

The aforesaid renovation and restoration of the Bank Barn shall be completed by the County on or before June 30, 2001. The County shall remain responsible for the maintenance of the Bank Barn as necessary so long as the Lease Agreement between the parties remains in effect.

(iii) The Corn Crib has been restored and renovated by Montgomery County. The County shall remain responsible for the maintenance of the Corn Crib as necessary so long as the Lease Agreement between the parties remains in effect.

(iv) Although there is currently no funding available for the restoration of the Tenant House and Hog House, those structures shall remain standing, and the parties hereto, together with the cooperation of the Maryland Environmental Service, shall work in a cooperative manner in the future to accomplish the restoration of those remaining structures.

11. Other Site Improvements. Section 11.A. of the Agreement is stricken in its entirety and, in lieu thereof, the following substituted therefor:

A. On or before October 31, 2001, the County shall cause to be installed landscaping in that area between the Dairy Barn and the Facility, as more particularly shown in Exhibit 9 to the Agreement, consisting of the planting of mixed deciduous and conifer trees with a minimum caliper size of two inches in accordance with the landscape plan to be prepared by the County in consultation with Sugarloaf. Thereafter, the County shall maintain the landscaped area as necessary. Notwithstanding anything in the Agreement or this Amendment to the contrary, until such time as the landscaping as set forth herein has been completed by the County, the maximum allowed storage of bagged finished Yard Waste compost product

on the Facility or within the Feed Barn shall be two hundred thousand (200,000) bags total.

12. Amended Lease Agreement. The Lease Agreement referred to in Paragraph 13 of the Agreement, and set forth in Exhibit 12 to the Agreement, shall be amended, simultaneous with the execution of this Agreement, in accordance with the attached Exhibit "B", "Second Amendment to Lease Agreement," incorporated herein by reference. The County represents that it has advertised the Amendment to Lease Agreement pursuant to the requirements of Section 5 of Article 25A of the Annotated Code of Maryland and Montgomery County Executive Regulation 67-91AM.

13. Affirmation of Agreement. In all other respects, the Agreement shall remain in full force and effect, and the provisions thereof and Exhibits thereto, except as expressly amended herein, shall continue in full force and effect, and the parties hereby expressly ratify and confirm the same.

14. Attorney's Fees. The County hereby agrees to reimburse Sugarloaf for its reasonable costs, expenses and attorney's fees in drafting and negotiating this Amendment to the Agreement and associated documents within thirty (30) days of the presentation of an invoice therefor to the County, as previously appropriated by the County Executive and approved by the County Council.

IN WITNESS WHEREOF, the parties hereto, intending to be fully bound hereby for themselves, successors and assigns, and the undersigned warranting their authority to bind their respective principals, have hereunto set their hands and seals on the day and first hereinabove written.

MONTGOMERY COUNTY, MARYLAND

Patricia C. Lusk
Witness

By: Douglas M. Duncan (SEAL)
DOUGLAS M. DUNCAN,
County Executive

SUGARLOAF CITIZENS ASSOCIATION, INC.

W. J. Roberts
Witness

By: Jane S. Hunter (SEAL)
JANE S. HUNTER,
Treasurer

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

Charles W. Thompson, Jr.
CHARLES W. THOMPSON, JR.,
County Attorney

AMENDED EXHIBIT 6
FACILITY OPERATIONS AT THE DICKERSON COMPOST FACILITY

The following is a brief description of the operations to be performed on a daily basis at the Dickerson Compost Facility. These activities are broken down into four sections: materials receiving, materials processing, curing and screening, and bagging.

Materials Receiving

Materials arrive at the Facility from down-County sites by various modes (see Exhibit 7). Materials arriving in trucks will be in no less than forty (40), nor more than one hundred (100) cubic yard trucks. Upon arrival at the Facility, vehicles carrying feed stock material are guided to the scale area for weighing and then to the pad for unloading.

All incoming materials are inspected for contamination. Loads which are determined to be unacceptable shall be rejected. The vehicle, upon completion of the inspection, is unloaded and then returned to the scale for weighing before exiting the facility.

Materials Processing

Upon acceptance at deposition of the materials on the composting pad, windrow construction is begun. Space is left between the edge of the pad and the end of each windrow in order to accommodate turning of the composting equipment.

Grass loads are incorporated into existing leaf windrows at a ratio designed to facilitate the composting process and minimize odors. The composting equipment is then used to process the windrow and ensure that a complete mixing has occurred.

After the initial mixing has taken place, each windrow is placed on a maintenance schedule. Processing of the windrow with the composting equipment on a regular basis provides shredding, aeration, and uniform decomposition of the compost. Maintenance schedules are based on industry standards. During the course of the composting process regular monitoring takes place.

Analysis of the finished product shall be conducted on a quarterly basis. The results shall be documented and a copy furnished to the Maryland Department of Agriculture, where the compost shall be graded according to the results of the analysis. The compost produced at the Dickerson Facility has always met Class A Standards (meaning the product is safe for any application).

Water quality monitoring shall be performed on the Facility's three storm water management ponds on a monthly basis. The results of the analyses shall be submitted to MDE on a quarterly basis in

The site shall be regularly policed in order to keep litter and sediment runoff to a minimum. This shall minimize onsite and offsite impacts.

Curing and Screening

At the end of each composting cycle, the compost material shall be consolidated and stored until it can be screened. After screening the materials shall be stockpiled before loading into incoming trucks or bagging, as the case may be.

There are a number of additional administrative activities which are performed on a daily basis at the Facility: These include procurement of supplies and materials, maintenance procedures, recordkeeping, etc. In addition, there is a constant flow of information between the Facility and offsite facilities to include technical and administrative support, as well as managerial support and guidance.

Bagging Operations

Bagging of the finished compost material shall be limited to a maximum of two mechanical bagging lines, both of which shall be located under the roof of the existing pavilion at the Facility. The bagging line may be sheltered and heated to allow bagging in the winter months, thereby requiring side and end screening on the pavilion as may be necessary. Maximum production of the bagging operation shall be 500,000 bags per fiscal year. The maximum allowed storage on the Facility site shall be no more than 300,000 bags (of not more than 3 cubic feet each), all of which shall be limited to the existing asphaltic pad, and none of which shall be stacked more than one pallet-load high at any time. No additional structures to accommodate storage of the bags shall be constructed or placed on the Facility. In connection with the bagging operation, consumables may be stored on the asphaltic pad, including shipping lumber, pallets, bags, shrink wrap and pallet covers, hand tools and two (2) forklifts.

AMENDED EXHIBIT 7
METHODS AND MODES OF TRANSPORTATION

The finished compost product produced at the Dickerson Facility may be composed of three main feed stock materials: leaves, grass, and chipped brush, all of which shall be collected as part of the County's recycling program. All material coming to the Facility via the transfer station shall be pre-processed (ground) before being transported to the facility.

Material shall be transported to the Facility via down-County transfer station locations, including the Brookeville Transfer Station and the County Solid Waste Transfer Station and Recycling Center in Gaithersburg. All materials delivered from Brookeville is done so via trucks. All materials received at the transfer station shall be transported either via truck or rail. The rail containers shall be internodal containers that can be moved via truck chassis or rail car.

Yard trim material shall be loaded so that there is at least one foot of free board (space between the top of the load and the top of the truck/rail container wall), and the load shall be tarped to prevent spillage en route.

Materials transported via rail shall be placed on the train at the transfer station railyard, which then shall move to the County's Resource Recovery Facility (RRF). Once at the RRF railyard, the yard trim containers shall be unloaded and then loaded on to a truck chassis for transport to the Facility via truck. Off loading procedures are described in Exhibit 6, "Operations."

Bulk finished products shall be transported from the Facility in not less than forty (40) cubic yard, and not more than one hundred (100) cubic yard, trucks. Bagged finished product shall be transported from the Facility in not less than ten (10) ton (20,000 pound) minimums. There shall be no onsite advertising, promotions or cash sales, either wholesale or resale, from the Facility with regard to the finished compost product, whether in bulk or in bags.

EXHIBIT A

LEASE-BACK AGREEMENT

THIS LEASE-BACK AGREEMENT, by and between MONTGOMERY COUNTY, MARYLAND, hereinafter referred to as the "County", and SUGARLOAF CITIZENS ASSOCIATION, INC., hereinafter referred to as the "Sugarloaf", is made this 1st day of August, 2000.

WHEREAS, the parties entered into a Lease Agreement from the County to Sugarloaf for certain real property located immediately adjacent to the County's Yard Waste Compost Facility, the "Facility," dated December 27, 1996, the "Lease,"; and

WHEREAS, the Lease was in connection with, and as a result of, a written agreement between the parties of settlement and compromise dated April 19, 1996, hereinafter referred to as the "Agreement"; and

WHEREAS, the parties have been engaged in negotiations for a modification of the Agreement and the Lease.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree to lease-back a portion of the premises under the following terms and conditions:

1. Lease-back of a portion of the premises to the County: Sugarloaf hereby agrees to lease-back to the County for its sole and exclusive use the Feed Barn, as defined in the Agreement, for the storage of consumable supplies of the Facility Operations, such as shipping lumber, pallets, bags, shrink wrap, pallet covers, hand tools and one (1) forklift, but not including any Yard Waste nor finished Yard Waste Product, either in bags or bulk. Sugarloaf also grants to the County reasonable means of ingress and egress to the Feed Barn for the purpose of placing or removing the aforesaid supplies, the same to be accessed by the existing driveway serving the premises and/or the existing gate in the existing fence between the Facility the Leased Premises under the Lease.

2. Term. The term created hereby for the use of the Feed Barn by the County shall be for a period of five (5) years from the date hereof, and may renewed for an additional term or terms thereafter upon such conditions as determined in Sugarloaf's sole discretion, upon written request by the County.

3. Subleasing and assignment. The County may not sublease or assign any portion of the Feed Barn leased by this Amendment without the prior written consent of Sugarloaf, which will not be unreasonably withheld. Notwithstanding any sublease or assignment,

assigns or contractors for the purposes stated herein in connection with the bagging operations of the Facility.

4. Maintenance. During the original term and any extension term of this Lease-Back Agreement, the County shall be responsible for all maintenance of the Feed Barn and shall keep the same in a good and presentable condition, and not commit waste with regard thereto.

5. Insurance. The County shall exercise its right to self-insure. The County is a member of the Montgomery County Self-Insurance Program; Article 20-37 of the Montgomery County Code restricts the legal defense fund to members of the Fund and does not allow for outside entities. The certificate of insurance evidences limits of insurability for general liability coverage in the amounts of \$500,000.00 aggregate and \$200,000.00 each occurrence and \$20,000.00 per person, \$40,000.00 per accident for bodily injury and \$15,000.00 for property damage for automobile liability and State of Maryland statutory limits for worker's compensation. Currently, the limits for Worker's Compensation/Employers' Liability are as follows:

Bodily injury by accident	--	\$100,000 each accident
Bodily injury by disease	--	\$500,000 policy limits
Bodily injury by disease	--	\$100,000 each employee.

These are the maximum limits of liability for which the Montgomery County Self-Insurance Program is responsible, as determined by the Local Government Tort Claims Act, 1986. This insurance policy must be maintained continuously by the County during the full term and any extension terms of this Lease-Back Agreement.

6. Default. In the event that the County is in violation of any of the terms and conditions of this lease-back agreement, Sugarloaf shall send written notice of such violation to tenant by Registered Mail. Should the County fail to correct any violation to the reasonable satisfaction of Sugarloaf within ninety (90) days from the receipt of such notice, then Sugarloaf shall have the right to immediately terminate this Lease-Back Agreement. Upon such termination, Sugarloaf shall be entitled to immediate possession of the leased premises.

7. Sugarloaf Not a Partner. It is expressly understood that Sugarloaf shall not be construed or held to be a partner or associate of the County in the conduct of County's business; it being expressly understood that the relationship between the parties hereto is and shall remain at all times that of landlord and tenant.

8. Solicitation. Sugarloaf represents that it has not retained anyone to solicit or secure this agreement from Montgomery County, Maryland, upon an agreement or understanding for a

commission, percentage, brokerage or contingent fee, excepting for an attorney rendering professional legal services consistent with applicable canons of ethics.

9. Public Employment. Sugarloaf understands that unless authorized under Section 11B-52 and Chapter 19A of the Montgomery County Code, 1984, it is unlawful for any person transacting business with Montgomery County, Maryland to employ a public employee for employment contemporaneous with his or her public employment.

10. Surrender Upon Termination. At the expiration of this Lease-Back Agreement, the County shall surrender the Leased Property in as good condition as it was at the beginning of the term, ordinary wear and tear excepted. Prior to the expiration of this Lease-Back Agreement, the County shall remove all of its equipment, trade fixtures and personal property and repair all damage caused by such removal.

11. Right of Entry. The Premises is and shall remain an open structure. Sugarloaf and its agents or representatives may inspect the same from outside of the premises from time to time, but not enter the premises unless accompanied by a representative of the County.

12. Force Majeure. Anything in this agreement to the contrary notwithstanding, providing such cause is not due to the willful act or a neglect of either party, neither party shall be deemed in default with respect to the performance of any of the terms, covenants and conditions of this lease-back agreement if the same shall be due to any strike, lockout, civil commotion, warlike operation, invasion, rebellion, hostilities, military or unsurged power, sabotage, governmental regulations or controls, inability to obtain any material, service or financing, through an act of God or other cause beyond the control of either party.

13. Waiver of Jury Trial. Should any controversy arise by and between the parties concerning any of the terms and conditions contained in this lease, each of the parties hereby waives its right to a jury trial and freely elects to be tried by any court of competent jurisdiction without a jury.

14. Notices. Unless otherwise provided herein, whenever notice is to be given under the terms of this lease, such notice shall be deemed to have been given three (3) United States Postal Service working days after enclosed in an envelope having the proper postage, addressed to the party, and deposited at the United States Post Office or mailbox. Any such notice shall be in the form of Certified Mail, Return Receipt Requested.

IF ADDRESSED TO THE COUNTY:

Montgomery County Executive
101 Monroe Street
Rockville, Maryland 20850

With a copy by First Class Mail to:
County Attorney for Montgomery County
Third Floor
101 Monroe Street
Rockville, Maryland 20850

IF ADDRESSED TO SUGARLOAF:

Sugarloaf Citizens Association, Inc.
Post Office Box 381
Barnesville, Maryland 20838

With a copy by First Class Mail to:
William J. Roberts, Esquire
Post Office Box 368
20,000 Fisher Avenue
Poolesville, Maryland 20837.

15. Quiet Enjoyment. Sugarloaf covenants and agrees with the County that upon the County's faithful performance of the obligations set forth herein, the County may and shall peaceably and quietly have, hold and enjoy the premises for the term and period aforesaid, subject to all of the provisions of this lease, and subject to the County's covenant of quiet enjoyment to Sugarloaf as set forth in the Lease.

16. Partial Invalidity. In case any provision or any part of any provision contained in this lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or remaining part of the affected provision of this lease, but this lease shall be construed as if such invalid, illegal or unenforceable provision or part thereof had never been contained herein but only to the extent it is invalid, illegal or unenforceable. In the event that any such provision may be construed so as to overcome any such potential invalidity, illegality or unenforceability, then a liberal interpretation shall be applied and the lease shall be interpreted in such a manner favorably to its validity, legality and enforceability, it being the express intention of the parties hereto to fully perform the obligations contained herein and the purposes sought hereby. And it is also the intention of both parties that in lieu of each clause or provision that is illegal, invalid or unenforceable, there be added, as a part of this agreement, a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

17. General Provisions. This document represents the entirety of the Lease-Back agreement between the parties hereto with respect to the subject matter hereof and shall not be amended, altered or modified except by writing duly executed by each of the parties hereto. This agreement shall be binding upon the parties and their respective successors and assigns. This Lease-Back Agreement shall be governed and construed in accordance with the laws of the State of Maryland without regard to any presumption or other rule of law regarding construction thereof or construing the same against the party causing this lease-back agreement to be drafted. The recitals are, and form, a part of this lease-back agreement. Each party shall execute and deliver to the other in a form satisfactory to each party's counsel such documents and agreements and shall take such other action as may be reasonably necessary to more effectively carry out the terms and provisions of this agreement as needed.

IN WITNESS WHEREOF, the parties hereto, intending to be fully bound hereby for themselves, successors and assigns, and the undersigned warranting their authority to bind their respective principals, have hereunto set their hands and seals on the day and first hereinabove written.

MONTGOMERY COUNTY, MARYLAND

Patricia C. Cook
Witness

By: Douglas M. Duncan (SEAL)
DOUGLAS M. DUNCAN,
County Executive

SUGARLOAF CITIZENS ASSOCIATION, INC.

Robert S. Hunter
Witness

By: Jane S. Hunter (SEAL)
JANE S. HUNTER,
President

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

Charles W. Thompson, Jr.
CHARLES W. THOMPSON, JR.,
County Attorney

EXHIBIT B

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO LEASE AGREEMENT dated December 27, 1996, by and between MONTGOMERY COUNTY, MARYLAND, hereinafter referred to as the "Landlord", and SUGARLOAF CITIZENS ASSOCIATION, INC., hereinafter referred to as the "Tenant", is made this 1st day of August, 2000.

WHEREAS, the parties entered into a Lease Agreement from the County to Sugarloaf for certain real property located immediately adjacent to the County's Yard Waste Compost Facility, the "Facility," dated December 27, 1996, the "Lease,"; and

WHEREAS, the Lease was in connection with, and as a result of, a written agreement between the parties of settlement and compromise dated April 19, 1996, hereinafter referred to as the "Agreement"; and

WHEREAS, the Lease was amended by a First Amendment to Lease Agreement dated June 5, 1997; and

WHEREAS, the parties have been engaged in negotiations for additional modifications of the Agreement and the Lease.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree to further amend the Lease as follows:

1. Renewal. Paragraph 3. of the Lease is hereby deleted in its entirety and, in lieu thereof, the following substituted therefor:

3. RENEWAL. Assuming the Tenant has faithfully performed its duties and obligations under this Lease and is not in default thereunder, the Tenant may, at the Tenant's option and sole discretion, renew this Lease for two (2) additional and consecutive terms of five (5) years each following the expiration of the initial term hereof, and thereafter continue to renew for additional five (5) years terms each, so long as at the time of renewal the Landlord shall not have terminated its operations of the Montgomery County Yard Waste Compost Facility and declared the Premises as surplus property for disposition at public sale. Said renewal terms shall be deemed automatic absent prior written notice by the Tenant to the Landlord of an intent not to renew provided to the Landlord at least six (6) months prior to expiration of an existing term.

2. Subleasing and Licensing. The introductory portion of Paragraph 6. of the Lease and subparagraphs A.1. and A.2 thereof are hereby deleted in their entirety (subparagraph B. of Paragraph 6 remains unchanged) and, in lieu thereof, the following substituted therefor:

6. SUBLEASING AND LICENSING: The Tenant may sublet or grant a license for use of portions of the dairy barn for charitable or educational purposes or for matters or functions of concern or interest to the community generally. All subtenants and licensees must conform with existing zoning laws and to the Use provision in Paragraph 8 of this Lease.

A. FINANCIAL RESTRICTIONS.

1. The County and the Tenant agree that the subleasing or licensing of all or any portion of the dairy barn located on the Leased Premises by the Tenant shall have as its primary goal the use of the building by the community for charitable or educational purposes or for matters or functions of concern or interest to the community generally. The County and the Tenant further agree that the subleasing or licensing of all or any portion of the dairy barn shall have as a secondary goal the recovery of reasonable operating and leasing expenses incurred by the Tenant in the operation, maintenance, improvement, and administration of the Leased Premises. The Tenant may, but shall not be obligated to, charge a rent for use of the dairy barn. The Tenant agrees that rental amounts, if any, charged to a subtenant or licensee for the use of the dairy barn shall be limited to the subtenant's or licensee's prorated share of actual operation, maintenance and administrative expenses incurred by Tenant, which expenses may include any costs for improvements made to the dairy barn or its immediate surroundings or to any furnishings or equipment purchased for use in the dairy barn.

2. Tenant acknowledges and agrees that all funds received by Tenant as the result of any sublease or license of any portion of the dairy barn or its immediate surroundings shall be used by the Tenant exclusively for the operation, maintenance, improvement, and administration of the Leased Premises, and shall not result in any profit or financial gain in excess of that permitted under Paragraph A.1. hereof. Pursuant to the provisions of this Paragraph, the County may require the Tenant to provide written evidence of compliance hereunder.

3. Use. Paragraph 8. of the Lease is hereby deleted in its entirety and, in lieu thereof, the following substituted therefor:

8. USE: A portion of the dairy barn may be used by the Tenant for its office space. The remaining portions of the dairy barn and surrounding leased areas, including adjacent yards and parking areas, shall be used only for charitable or educational purposes or for matters of concern or interest to

the community generally and which are lawful. The single-family residence may only be used for residential purposes. The Southern Field, located northeast of the intersection of Martinsburg and Wasche Roads and immediately south of the Compost Facility, as more particularly shown as part of Parcel B on Exhibit 1, may only be used for agricultural purposes, defined as those uses categorized as "Agricultural" and permitted by right in Section 59-C-9.3 of the Montgomery County Code (1994) as now existing or hereafter amended. All of the aforesaid features are more particularly shown in Exhibit 1 and Exhibit 2, attached hereto and incorporated herein by reference. Tenant agrees that all uses of the Leased Premises, including those of any subtenants and licensees, shall conform with all applicable zoning ordinances.

4. Insurance. Paragraph 14 of the Lease, "INSURANCE", is hereby amended by adding a new Paragraph 14.H. as follows:

H. In the event any portion of the Premises should be leased back to the Landlord by the Tenant, the requirements for insurance coverage to be maintained by the Tenant as set forth in this Paragraph 14, specifically and only with regard to that portion of the Premises leased back to the Landlord, shall be waived and the Tenant shall not be required to provide such insurance for that portion of the Premises during any period of such a lease-back, and the Landlord shall self-insure for any damages or injuries occurring thereon.

4. Access. Paragraph 20 of the Lease, "ACCESS", is hereby amended by adding the following sentence at the end thereof:

Notwithstanding the foregoing, absent an immediate emergency which threatens life or property, the County, its contractors, agents or employees may only enter that area of the Dairy Barn devoted to the Tenant's office when accompanied by a representative of the Tenant.

5. Affirmation of Lease. In all other respects, the Lease shall remain in full force and effect, and the provisions thereof and Exhibits thereto, except as expressly amended herein, shall continue in full force and effect, and the parties hereby expressly ratify and confirm the same.

IN WITNESS WHEREOF, the parties hereto, intending to be fully bound hereby for themselves, successors and assigns, and the undersigned warranting their authority to bind their respective principals, have hereunto set their hands and seals on the day and first hereinabove written.

MONTGOMERY COUNTY, MARYLAND

Patricia C. Cook
Witness

By: Douglas M. Duncan (SEAL)
DOUGLAS M. DUNCAN,
County Executive

SUGARLOAF CITIZENS ASSOCIATION, INC.

W. J. [Signature]
Witness

By: Jane S. Hunter (SEAL)
JANE S. HUNTER,
Treasurer

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

David A. Thompson for
CHARLES W. THOMPSON, JR.,
County Attorney


SUGARLOAF CITIZENS ASSOCIATION, INC.

THIS IS TO CERTIFY that, at a regular meeting of the Board of Directors of Sugarloaf Citizens Association, Inc., the "Association," duly held on the 28th day of June, 2000, the Board of Directors of the Association duly voted by resolution introduced, seconded, and appropriately passed by a majority of said Board of Directors, to authorize Jane S. Hunter, Treasurer and immediate past President of the Association:

1. To conduct negotiations with Montgomery County, Maryland, the "County," as authorized agent and officer of the Association, relating to bagging operations of the finished compost product on the site of the Montgomery County Yard Waste Composting Facility;
2. To negotiate the terms of any documents in connection therewith, including:
 - A. Any amendment to the Agreement of Settlement & Compromise dated April 19, 1996, including exhibits thereto, between the Association the County;
 - B. Any amendment to the Lease Agreement between the County as Landlord and the Association as Tenant dated December 27, 1996;
 - C. Any Lease-Back Agreement between the County as Tenant and the Association as Landlord for the use of the Feed Barn located on the premises which is the subject of the aforesaid Lease Agreement;

and

3. To execute and acknowledge on behalf of the Association, as a duly authorized agent and Officer of the Association, any and all of the aforesaid documents.



ROBERT ZARNETSKE, President

ATTEST:


CLAIRE GUNSTER-KIRBY, Secretary

Appendix E

Council Resolution 13-1498 Creation of Facilities Implementation Group

Resolution No.: 13-1498

Introduced: November 24, 1998

Adopted: December 1, 1998

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

Subject: Creation of Facilities Implementation Group

Background

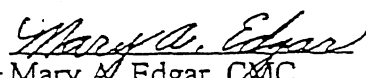
1. The County owns and operates two solid waste facilities in the Dickerson area, the Resource Recovery Facility and the Dickerson Compost Facility.
2. The County owns several properties in the Dickerson area for the Site 2 Landfill. The County has determined it is not necessary to proceed with the construction of this landfill at this time. However, the County will retain and manage the properties. The County also owns property associated with the original Matthews Farm.
3. The County and representatives from the community developed the Facilities Master Plan for the Solid Waste Operations in the Dickerson Area. That plan calls for the creation of an advisory group to provide for comprehensive citizen input concerning land use issues for the life of the solid waste facilities in the area.
4. Creation of the Facilities Implementation Group is referenced in the Comprehensive Solid Waste Management Plan (Section 5.1.3.4.b.). This group is intended to replace the Landfill Working Group, though with a broader scope of activity.

Action

The County Council for Montgomery County, Maryland, approves the following resolution:

Creation of the Facilities Implementation Group is approved, in accordance with the attached, effective December 1, 1998.

This is a correct copy of Council action.


Mary A. Edgar, CMC
Secretary of the Council

Creation of the Facilities Implementation Group

The Department of Public Works and Transportation and the Community of Dickerson would like to establish a citizens advisory group to address community and environmental issues and concerns pertaining to the operations of the County's solid waste facilities located in the Dickerson area. These facilities include the Resource Recovery Facility, the Yard Trim Composting Facility, properties originally purchased for the Site 2 Landfill, and property associated with the original Matthews Farm.

The Facilities Master Plan for the Solid Waste Operations in the Dickerson Area, from here on referred to as *the facilities plan*, issued in August 1997, proposed the creation of such a group to assist the County in implementing the facilities plan. Subsequent discussions with the Landfill Working Group, the President of the Sugarloaf Citizens Association, and the County Council, further verify the value of establishing an ongoing citizen organization with which the County can interact regarding issues of these facility operations.

The following is recommended for establishing this group:

The development of the Site 2 Landfill has been postponed while the County disposes of waste at an out-of-county facility. As part of its comprehensive amendments to the County's Comprehensive Solid Waste Management Plan approved in October 1998, the Council referenced a new citizens advisory committee entitled, "*The Facilities Implementation Group* " (*FIG*). This group is intended to advise the County on solid waste issues of concern to the community in the Dickerson area.

Members to the group will be appointed by the County Executive and approved by the County Council.

Terms of service will be three (3) years, though the first terms when the group is first appointed will be staggered between one (1) and three (3) years to establish a rotation where only four (4) new members will join the organization in any one year.

Any member can be re-appointed for a second term with the approval of the County Executive and the County Council. Any member can reapply for appointment after serving two (2) terms in the appointment period that falls one year after the end of his/her second term.

Rotation members with one (1) vote each include:

- Representative of Sugarloaf Citizens Association
- Representative of For a Rural Montgomery
- Representative of Town of Poolesville
- Representative of Town of Barnesville
- Representative of Solid Waste Advisory Committee
- Representative of Upcounty Citizens Advisory Board
- Representative of Affected Community
- Representative of Affected Community

- *Representative of Affected Community*
- *Representative of Affected Community*
- *Representative of Affected Community*
- *Representative of Affected Community*

No term limitation, non-voting members:

- *Representative of Operator of Resource Recovery Facility*
- *Representative of Operator of Dickerson Compost Facility*
- *Representative of Operator of PEPCO Facility*
- *Representative of the Montgomery County Department of Public Works & Transportation*

The County will advertise for member applicants; a selection process will include review by representatives of the Department of Public Works and Transportation, the Solid Waste Advisory Committee, and the standing FIG committee. A primary goal in the selection of members to FIG is to establish balanced and broad-based representation of the affected community. Attempts will be made to attract membership from a variety of groups, including the farming community, area residents, those with scientific backgrounds, members of area businesses, and individuals associated with area institutions such as the schools. Recommendations will be submitted to the County Executive for appointment. The County Executive will submit the appointments to the County Council for approval.

Meetings will be held at least quarterly. Meeting minutes will be kept and distributed by the County staff. A quorum (seven voting members) must be present at each meeting for the purpose of voting on actions to be taken; no binding votes may be taken without a quorum present. An annual report will be prepared by the group in September of each year and submitted to the Executive Branch and the County Council no later than October 15 of each year.

The group will advise the County on execution of the policies and strategies set forth in the facilities plan. All meetings of the group will be open public forums and will be advertised in the local newspapers. The group will receive environmental monitoring data in a timely manner, and will review information pertaining to environmental and community impacts with appropriate staff from regulatory agencies and the Department of Public Works and Transportation. The group will coordinate input on concerns from the affected community, and will be considered the primary point of contact for County agencies regarding any issues pertaining to the solid waste facilities located in the Dickerson area. Changes to how the group functions may be established by FIG, subject to the approval of the County Executive and the County Council.

Appendix F

Montgomery County Executive Regulation 6-99AM Expansion of Leaf Vacuuming Collection

Resolution No. 14-701
Introduced: November 28, 2000
Adopted: November 28, 2000

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: County Council

SUBJECT: Approval of Regulation 6-99AM, Expansion of Leaf Vacuuming Collection District

Background

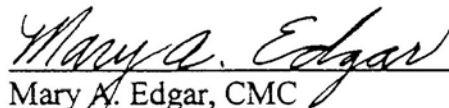
1. On October 31, 2000, the County Council received Regulation 6-99AM, Expansion of Leaf Vacuuming Collection District.
2. The Council must review the regulation under method (1) of Section 2A-15 of the County Code.
3. A regulation proposed under Method (1) is adopted when the County Council approves it by resolution. The regulation takes effect on adoption of the resolution approving it or at a later date specified in the regulation.

Action

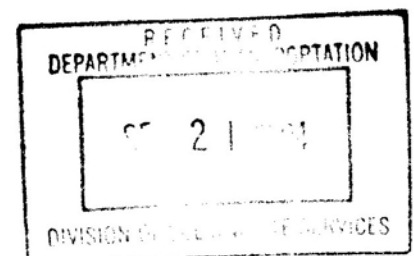
The County Council for Montgomery County, Maryland approves the following resolution:

Regulation 6-99AM, Expansion of Leaf Vacuuming Collection District, is approved.

This is a correct copy of Council action.



Mary A. Edgar, CMC
Clerk of the Council





MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Leaf Vacuuming District	Number 6-99AM
Originating Department Department of Public Works and Transportation	Effective Date November 28, 2000

Montgomery County Regulation on:

LEAF VACUUMING DISTRICT
OFFICE OF THE COUNTY EXECUTIVE

Issued by: County Executive
Regulation No.: 6-99AM
COMCOR, Title _____, Chapter _____

Authority: Montgomery County Code, 1994, Section: 48-47
Council Review: Method (1) under Code Section 2A-15
Register Vol. 16 No. 5

Effective Date: November 28, 2000
Comment Deadline:

Summary: This regulation updates recycling service areas and the recycling service process so as to provide for the curbside collection of leaves by vacuuming and authorized the collection of fees to fund curbside leaf vacuuming services.

Address for comments: Director, Department of Public Works and Transportation
Executive Office Building, 10th Floor
101 Monroe Street
Rockville, Maryland 20850

Staff Contact: John Thompson, Chief
Division of Highway Services
Montgomery County Department of
Public Works and Transportation
(240) 777-7623



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Leaf Vacuuming District	Number 6-99AM
Originating Department Department of Public Works and Transportation	Effective Date November 28, 2000

Background:

Chapter 68 of the Montgomery County Code authorizes the Montgomery County Suburban District. In 1927, the Maryland General Assembly created this special taxing area encompassing the urbanized areas of the lower County. The general purpose of the special taxing area was to provide and fund an enhanced level of services to property owners within the defined geographic area. One of the enhanced services created for the Suburban District was the curbside collection of leaves. The Suburban District was terminated in FY97, but the curbside collection of leaves for certain recycling districts remain. The leaves are collected each year by curbside vacuuming method and are taken to the Dickerson Composting Facility and recycled into compost material. Because this is considered a recycling function of the County's Solid Waste Management Program, the cost of leaf vacuuming services should be recovered through a solid waste service charge to those properties that receive the service.

Information:

Montgomery County Code 1994, Section 48-47(c) (1), provides for the creation of recycling service areas for the collection, processing and marketing of recyclable solid waste. Section 48-47 (c) (2) authorizes the County Council to establish rates or fees for the collection and processing of recyclable solid waste when it sets rates and fees for solid waste management and disposal.

Section 1. Definitions. For the purposes of this regulation, The definitions contained in Montgomery County Code 1994, section 48-1 and the definitions stated below apply:

- (a) "Recycling Service Area" means a geographically designated area for the collection, processing and marketing of recyclable solid waste, the basis for determination of recycling activities may include



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Leaf Vacuuming District	Number 6-99AM
Originating Department Department of Public Works and Transportation	Effective Date November 28, 2000

population densities; housing patterns, land use patterns, types of recyclable solid waste generated, and other factors affecting cost-effectiveness.

- (b) "Leaf Vacuuming District" means the geographic area currently identified as a neighborhood/area that consists of 100 or more households (as shown in Exhibit A). Households mean either single or multifamily residences.
- (c) "Leaf Vacuuming Service" means the removal of leaves, by vacuum method, which property owners have placed at the curbside of County rights-of-way.
- (d) "Yard Trim" means all organic solid waste material generated in the yard, including, but not limited to, leaves, grass clippings, plant trimmings, and branches less than 4 inches in diameter.

Section 2. A map showing the Leaf Vacuuming Districts is attached hereto as Exhibit A. Collection of leaves on a twice annual basis will be provided by vacuum method. These recycling service areas are to be known as the Leaf Vacuuming Districts.

- (a) The Leaf Vacuuming Districts may be updated from time to time as areas within the County are included in or excluded from the Leaf Vacuuming Districts.



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Leaf Vacuuming District	Number 6-99AM
Originating Department Department of Public Works and Transportation	Effective Date November 28, 2000

- Section 3. Leaf Vacuuming Service. Leaf collection in the Leaf Vacuuming Districts will be a vacuuming service at the curb of County or State rights-of-way located within the designated districts. This service is now provided by the Department of Public Works and Transportation, but may be performed by other agents at the discretion of the Department Director, and shall be based on cost-effectiveness of the program.
- (a) Notice of Leaf Vacuuming Service shall be provided twice annually, primarily during the months of November and December.
 - (b) All leaves placed at the curb along County or State rights-of-way within the Leaf Service District during the specified period shall be collected by vacuum method.
 - (c) Leaves will be the only type of yard trim collected by the leaf vacuuming service.
 - (d) A civic association or organized group representing an existing neighborhood/area may petition the County Executive (CE) for participation in the Leaf Vacuuming Service. The petition must be submitted by April 15 of the year prior to desired services to be eligible for services in the following calendar year.
 - (e) The organized group or civic association must deliver to the Director of the Department of Public Works and Transportation (DPWT), a written petition signed by owners of at least 80% of



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Leaf Vacuuming District	Number 6-99AM
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the households in the neighborhood/area to be included in the program. Single family units and multifamily units are counted equally in the petition process. The petition should be inclusive of a specific description of the boundaries of the affected neighborhood/area and the number of households in the neighborhood/area to be added to the Leaf Vacuuming Service. An information sheet will be provided to the neighborhood/area requesting consideration into the Leaf Vacuuming Service which will outline the particulars of the program. In the information sheet, the Director, DPWT, will notify petitioners that collection will take place in November and December of each year (weather permitting), and will include the approved fees for the prior year for single and multifamily units.

- (f) The neighborhood/area proposed to be included must consist of 100 or more households; or individual streets in neighborhoods with less than 100 households may be added to the program on a block-by-block basis where practical and directly adjacent to an existing collection area. In this instance, criteria (e) will apply.
- (g) After receiving the petition, the Director, DPWT, will determine if the request meets the minimum criteria established in (e) and (f). Upon verification that the request meets the minimum criteria, the Director will hold a hearing to receive public comments on the petition within 120 days of that date. Notice of the hearing must be given to the originator of the petition in the affected neighborhood/area and must be advertised in a newspaper of general circulation in the County at least ten days before the hearing.



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Leaf Vacuuming District	Number 6-99AM
Originating Department Department of Public Works and Transportation	Effective Date November 28, 2000

- (h) Based on the comments received from the public testimony, the Director, DPWT, will recommend approval or denial of the request to the CE.
- (i) Within ninety days after the hearing, the CE will approve or disapprove the Director's recommendation. Notice of the CE's decision must be given to the County Council and to each person in the affected neighborhood/area.
- (j) All non-government costs related to entry into the Leaf Vacuuming Service, to include, but not limited to, the postage, printing, etc. must be borne by the civic association or organized group of the requesting neighborhood/area.
- (k) Property owners in the neighborhoods/areas that are added to the collection area will be assessed the current rate for receiving the service.
- (l) Operational requirements of the County will be considered when determining participation in the Leaf Vacuuming Service to include consideration of the expansion of the program in the context of the tonnage limit at the Composting Facility.
- (m) Any neighborhood/area in the Leaf Vacuuming Service can leave the program by mutual agreement of the County and the neighborhood/area. A neighborhood/area desiring to leave the Leaf Vacuuming Service must have the support of not less than 80% of the households in the neighborhood/area before soliciting the agreement of the County.
- (n) The Director, DPWT, or his/her designee may deviate from the minimum criteria for determining a neighborhood's/area's participation in the Leaf Vacuuming



MONTGOMERY COUNTY EXECUTIVE REGULATION

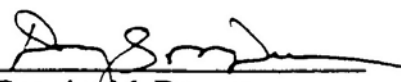
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Subject	Number
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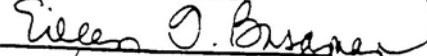
Service as found herein when it is deemed to be in the best interest of the County. Reasons for deviation from the minimum criteria may include, but are not limited to:

- Inappropriate boundaries for efficient operation of leaf collection services, such as separation by a stream valley or major roadway;
- Operational issues that may delay an area's entry into the Leaf Vacuum Program, such as insufficient resources.

Section 4. Collection of Fee for Leaf Vacuuming Service.
The method for calculation and collection of fees for leaf collection service shall be in accordance with the provisions of sections 48-29 (d) which requires that charges must correspond as closely as practicable to the actual cost to the County to perform the service.


Douglas M. Duncan
County Executive

APPROVED AS TO FORM AND LEGALITY
OFFICE OF COUNTY ATTORNEY

BY 

DATE 9/29/2000

MONTGOMERY COUNTY SUBURBAN DISTRICT

